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**REQUEST FOR PROPOSALS**  
**RFP NO. 21-2016**  
**BANKING CUSTODIANSHIP SERVICES**

**OPENING: MARCH 23, 2016 AT 11:00 A.M.**  
**PRE-PROPOSAL CONFERENCE: MARCH 10, 2016 AT 10:00 A.M.**

*BUYER: Dean Hof, Deputy Purchasing Administrator*  
*PHONE: 410-313-4239 ▪ EMAIL: [dhof@howardcountymd.gov](mailto:dhof@howardcountymd.gov)*

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**HOWARD COUNTY, MARYLAND**

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**OFFICE OF PURCHASING**

6751 Columbia Gateway Drive, Suite 501, Columbia, MD 21046  
[www.howardcountymd.gov/purchasing](http://www.howardcountymd.gov/purchasing)



*Formal RFPs and RFP Results are available on our website*

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**IMPORTANT: ADVISE THE ISSUING OFFICE IMMEDIATELY  
IF ANY OF THE ABOVE SECTIONS ARE NOT ENCLOSED IN THIS DOCUMENT.**

**SECTION A****KEY INFORMATION SUMMARY**

<b>RFP Number:</b>	21-2016
<b>RFP Name:</b>	Banking Custodianship Services
<b>Issue Date:</b>	February 24, 2016
<b>Buyer:</b>	Dean Hof, Deputy Purchasing Administrator
<b>Pre-Proposal Date:</b>	March 10, 2016 at 10:00 A.M.
<b>Pre-Proposal Location and Registration:</b>	Office of Purchasing 6751 Columbia Gateway Dr., Ste. 501 Columbia, MD 21046  Please register by contacting Robin Fewell at <a href="mailto:rfewell@howardcountymd.gov">rfewell@howardcountymd.gov</a>
<b>Questions Due and to Whom:</b>	Questions due no later than 4:00 p.m. on March 11, 2016 Submit questions to: <a href="mailto:dhof@howardcountymd.gov">dhof@howardcountymd.gov</a>  Questions must be submitted to the Buyer at the email address listed above.
<b>Proposals Due:</b>	March 23, 2016 PRIOR TO 11:00 A.M. EST
<b>Mail/Deliver Proposals to the Issuing Office:</b>	Office of Purchasing 6751 Columbia Gateway Dr., Ste. 501 Columbia, MD 21046 410-313-6370  <b>PLEASE REMEMBER THAT TECHNICAL AND PRICE PROPOSALS ARE TO BE PLACED IN <u>SEPARATE</u> SEALED ENVELOPES.</b>
<b>Agreement Term:</b>	One year with seven one-year renewal options
<b>Bid Deposit/ Performance Bond:</b>	Not Applicable
<b>EBO Subcontracting Participation:</b>	10% goal

MINORITY BUSINESS ENTERPRISES are encouraged to respond to this solicitation. For more information, please contact the Equal Business Opportunity Coordinator at 410-313-6370.

**IMPORTANT NOTICE REGARDING ADDENDA**

Addenda to solicitations often occur prior to bid opening. It is the potential Contractor's responsibility to visit the Office of Purchasing web site for updates to solicitations. [www.howardcountymd.gov/purchasing](http://www.howardcountymd.gov/purchasing)

**SECTION B****PURCHASE ORDER TERMS AND CONDITIONS**

The following terms and conditions apply to all Purchase Orders issued by Howard County and are applicable to all purchases made as a result of this solicitation.

- 1 No purchase of materials, supplies, equipment, and/or services will be recognized unless made through the Office of Purchasing.
- 2 The County may at any time insist upon strict compliance with these terms and conditions, notwithstanding any previous custom, practice or course of dealing to the contrary.
- 3 The terms and conditions of sale as stated in this Purchase Order govern in the event of conflict with any terms of the Contractor's bid, and are not subject to change by reason of any written or verbal statements by the Contractor or by any terms stated in the Contractor's acknowledgement without prior written authority from the Office of Purchasing.
- 4 If the price is omitted on the Purchase Order, except where the Purchase Order is given in acceptance of quoted prices, it is agreed that Contractor's price will be the lowest prevailing market price and in no event is this Purchase Order to be filled at higher prices than last previously quoted or charged without prior written authority from the Office of Purchasing.
- 5 If requested, the Contractor shall acknowledge the order promptly and provide a delivery date.
- 6 Invoices must show Delivery Address and Purchase Order number, and indicate if it represents partial or complete billing. Separate invoices must be rendered for each Purchase Order. Invoices shall include the following information:
  - 6.1 Contractor's name;
  - 6.2 Address;
  - 6.3 Federal tax identification number;
  - 6.4 Contract number, if applicable (the first two digits are 44XXXXXXXX);
  - 6.5 Purchase Order number (the first digit is 2XXXXXXXX);
  - 6.6 Contract line number, if applicable;
  - 6.7 Unit price and extended price (if applicable, the unit price must match a line on the Contract); and
  - 6.8 Description of goods provided and/or services performed.
- 7 The County has the right to refuse to make payment on any invoice unless and until verification of receipt by the County can be determined. The County's payment for any material shall not constitute acceptance of the material or a waiver of any of the County's rights.
- 8 No freight/delivery/fuel charges will be paid by the County unless specifically provided for in the Purchase Order.
- 9 The County will not pay for packaging, boxing or cartage. Damage resulting from improperly packaged material will be charged to the Contractor.
- 10 The County reserves the right to cancel this Purchase Order or, any part thereof, without obligation, if delivery is not made or services completed at the time(s) specified.
- 11 This Purchase Order shall be governed and construed in accordance with the law of the State of Maryland without regard to any choice of law principles.
- 12 All deliveries and services furnished under this Purchase Order must be of the quality specified or in the event no quality is specified, must be the best of their respective kinds, and will be subject to inspection and approval of the County within a reasonable time after delivery of goods or completion of services. When manufacturing specifications are referred to in this Purchase Order, such specifications shall be deemed to be an integral part hereof as if duly set out herein. Goods and services shall be replaced at no additional charge to the County if they prove to be defective and/or not in accordance with specifications. Rejected materials shall be returned at the risk and expense of the Contractor. If the County does not desire replacement, the Contractor shall issue a full credit.
- 13 Requirement as to Materials, Contractor's Responsibilities and Warranties:
  - 13.1 The Contractor warrants and agrees that all materials supplied hereunder shall be manufactured and produced in compliance with the laws, regulations, codes, terms, standards and/or requirements of all Federal, State and local authorities and all other authorities having jurisdiction, and that performance of this Purchase Order shall be in accordance with the above laws, regulations, codes, terms, standards, and/or requirements, and agrees, upon request, to furnish the County a certificate of compliance in such forms as the County may require.
  - 13.2 The Contractor warrants that there has been no violation of copyrights or patent rights in manufacturing, producing, or selling the goods shipped or ordered and Contractor agrees to indemnify and hold the County harmless from any and all liability, loss or expense occasioned by such a violation.
- 14 The quantity of materials, and/or services, must not be exceeded without prior written authority from the Office of Purchasing.
- 15 Substitutions are not allowed without prior written authority from the Office of Purchasing.

- 16 If required, a sufficient number of shop drawings and/or catalog data shall be furnished to the County within 15 days (unless otherwise specified) for necessary approval.
- 17 In the event any article sold and delivered hereunder shall be defective in any respect whatsoever, the Contractor will indemnify and save harmless the County from all losses or expenses by reason of all accidents, injuries or damages to persons or property resulting from the use of such article or which are contributed to by said defective condition.
- 18 The Contractor shall indemnify and hold harmless the County, its employees, agents and officials from any and all claims, losses or expenses resulting from any accidents, injuries or damages to persons or properties, suits or demands including reasonable attorney fees which may be made against the County, its employees, agents or officials resulting from any act or omission committed in the performance of the duties imposed by and performed under the terms of this Purchase Order by the Contractor or anyone under agreement with the Contractor to perform duties under this Purchase Order. The Contractor shall not be responsible for acts of negligence or willful misconduct committed by the County, its employees, agents and officials. Any property or work to be provided by the Contractor under this Purchase Order will remain at the Contractor's risk until written acceptance by the County; and the Contractor will replace, at the Contractor's expense, all property or work damaged or destroyed by any cause whatsoever.
- 19 Liability for Damage: If this Purchase Order calls for work to be performed upon property owned or controlled by the County it is understood and agreed that:
- 19.1 Mechanic's Liens: The Contractor will keep the premises and work free and clear of all mechanic's liens, and furnish the County certificate and waiver as provided by law.
- 19.2 Property and Casualty Losses: The work will remain at the Contractor's risk prior to written acceptance by the County and the Contractor will replace at its own expense all work damaged or destroyed by fire, force or violence of the elements or any cause whatsoever.
- 19.3 Injury to Contractor's Personnel: The Contractor understands and agrees that they are the sole employer of all persons employed by Contractor to perform services under this Purchase Order and agrees on behalf of itself and its workers' compensation insurer that the County is not a dual employer of such personnel. If Contractor is hiring independent contractors or subcontractors to perform services under this Purchase Order, Contractor shall assure that all such persons are properly covered under Maryland workers' compensation law and will indemnify, save harmless and defend the County from all workers' compensation claims filed by such persons against the County.
- 19.4 Workers' Compensation Insurance: During the term of this Purchase Order, the Contractor will provide workers' compensation insurance in compliance with Maryland law for its employees and shall be responsible to verify workers' compensation coverage for all independent contractors and subcontractors. Contractor shall indemnify the County for any uninsured losses relating to contractual services under this Purchase Order and subsequent amendments.
- 20 Bankruptcy: In the event of any proceedings, voluntary or involuntary, in bankruptcy or insolvency by or against the Contractor including any proceedings under the Chandler Act, or in the event of the appointment, with or without the Contractor's consent, of an assignee for the benefit of creditors or of a receiver then the County shall be entitled to cancel any unfilled part of this Purchase Order without any liability whatsoever.
- 21 Equal Employment Opportunity: The County requires that the Contractor not discriminate against any employee or applicant for employment because of race, creed, religion, physical or mental handicap, color, sex, national origin, age, occupation, marital status, political expression, gender identity/expression, sexual orientation or personal appearance. The Contractor will take affirmative action to ensure that applicants are employed, and the employees are treated fairly and equally during employment with regard to the above. The Contractor warrants that, within the previous 12 months, it has not engaged in unlawful employment practices as set forth in Section 12.208 of the Howard County Code, Section 19 of Article 49B of the annotated Code of Maryland or Sections 703 and 704 of Title VII of the Civil Rights Act of 1964.
- 22 Material Safety Data Sheet (MSDS): If the work to be performed under this Purchase Order requires the use of any product that contains any ingredient that could be hazardous or injurious to a person's health, a MSDS must be provided to the Office of Purchasing, 6751 Columbia Gateway Drive, Suite 501, Columbia, Maryland 21046.
- 23 Termination
- 23.1 Termination for Convenience: The County may terminate this Purchase Order, in whole or in part, if the County determines that such termination is in the best interest of the County, without showing cause, upon giving at least 30 days written notice to the Contractor. The County shall pay all reasonable costs incurred by the Contractor up to the date of termination. However, in no event shall the Contractor be paid an amount which exceeds the price bid for the work performed. The Contractor shall not be reimbursed for any profits which may have been anticipated but which have not been earned up to the date of termination.
- 23.2 Termination for Default: When the Contractor has not performed or has unsatisfactorily performed one or more material terms of the Purchase Order, the County may terminate the Purchase Order for default. Upon termination for default, payment may be withheld at the discretion of the County. Failure on the part of the Contractor to fulfill the contractual obligations shall be considered just cause for termination of the Purchase Order. If the damages exceed the undisbursed sums available for compensation, the County shall not be obligated to make any further disbursements hereunder. The Contractor will be paid for work satisfactorily performed prior to termination less any excess costs incurred by the County in reprocurring and completing the work.

## SECTION C

### GENERAL CONDITIONS

#### 1 DEFINITIONS:

- 1.1 Addenda – Formal alteration of a solicitation or Agreement in writing (When applicable, Addenda are available on the Office of Purchasing website.)
- 1.2 Alternate Bids – A second bid for a single item that intentionally offers a substitute product or service that varies from the stated specifications
- 1.3 Buyer – The County’s Purchasing Representative for the resulting Agreement
- 1.4 Agreement – The Request for Proposal documents and any addenda, the Contractor’s response to this solicitation, and subsequent Purchase Orders
- 1.5 County – Howard County, Maryland
- 1.6 County Purchasing Agent – The Chief Administrative Officer for the County
- 1.7 Contractor – Any offeror; most often the successful offeror
- 1.8 Designee – Specifically appointed alternate signatory or decision maker
- 1.9 Equal Business Opportunity (EBO) – The County’s minority business enterprise program
- 1.10 Issuing Office – The Howard County Office of Purchasing
- 1.11 Offeror – Any entity that submits a response to this solicitation
- 1.12 Proposal – All information submitted by the Contractor in response to this solicitation
- 1.13 Purchase Order – The document by which the Contractor receives formal notification to perform work or deliver goods
- 1.14 Request for Proposal (RFP) – All documents identified in the Table of Contents, including any addenda
- 1.15 Solicitation – The Request for Proposal
- 1.16 User Agency – County department or office for which goods and/or services are being purchased

#### 2 BID DEPOSIT:

- 2.1 When deemed necessary, a bid deposit may be required. This requirement is described in Section E of this solicitation. Such bid deposits shall be in the amount deemed adequate by the County. The deposit shall be a certified check, cashier’s check, or treasurer’s check drawn upon a solvent clearing house bank, or a bid bond issued by an insurance company licensed to do business in Maryland made payable to Director of Finance, Howard County, Maryland. A combination of certified check and bid bonds is not an acceptable response to the bid deposit requirement.
- 2.2 Bid deposits in the form of certified checks will be returned to the unsuccessful bidders upon the award of the Agreement(s), and to the successful bidder(s) upon execution of the Agreement(s) and the meeting of bond requirements, if applicable.
- 2.3 The successful bidder's failure to execute the Agreement or meet bond requirements within ten working days after the award shall result in the deposit being forfeited to the County as liquidated damages.

#### 3 RESERVATIONS:

- 3.1 The County Purchasing Agent or Designee reserves the right to reject any or all proposals or parts of proposals when, in the County Purchasing Agent's or Designee’s reasoned judgment, the public interest will be served thereby.
- 3.2 The County Purchasing Agent or Designee, with the approval of the County Executive, may waive formalities or technicalities in proposals as the interest of the County may require.
- 3.3 The County Purchasing Agent or Designee reserves the right to increase or decrease the quantities to be purchased at the prices set forth in the proposal. The quantity intended to be purchased and the period and percentage amount of any such reservation will be stated in the solicitation.

- 3.4 The County Purchasing Agent or Designee reserves the right to award Agreements or place orders on a lump sum or individual item basis, or such combination as shall, in the County Purchasing Agent's or Designee's judgment, be in the best interest of the County.
  - 3.5 The County Purchasing Agent or Designee may waive minor differences in specifications provided these differences do not violate the specification intent nor materially affect the operation for which the item or items are being purchased, nor increase estimated maintenance and repair cost to the County.
  - 3.6 The County Purchasing Agent or Designee may reject any proposal which shows any omission, irregularity, alteration of forms, additions not called for, conditional or unconditional unresponsiveness, or proposals obviously unbalanced.
- 4 PERIOD OF VALIDITY: Unless otherwise specified, all formal proposals submitted shall be irrevocable for 120 days following the proposal opening date, unless the Contractor, upon request of the County Purchasing Agent or Designee, agrees to an extension. Bids may not be withdrawn during this period.
- 5 DELIVERY:
- 5.1 Contractors shall guarantee delivery of supplies in accordance with such delivery schedule as may be provided in the solicitation.
  - 5.2 All items shall be delivered F.O.B. Destination, Inside Delivery, and delivery costs and charges included in the price offered, unless otherwise stated in the solicitation.
  - 5.3 The County Purchasing Agent or Designee reserves the right to charge the Contractor for each day the supplies or services are not delivered in accordance with the delivery schedule. The per diem charge may be invoked at the discretion of the County Purchasing Agent or Designee and said sum to be taken as liquidated damages and deducted from the final payment, or charged back to the Contractor.
  - 5.4 The County Purchasing Agent or Designee reserves the right to procure the supplies/services elsewhere on the open market if delivery is not made as specified, in which event, the extra cost of procuring the supplies/services may be charged against the Contractor and deducted from any monies due or which may become due.
- 6 GOVERNING LAW:
- 6.1 This Agreement shall be governed by and construed in accordance with the laws of the State of Maryland without regard to any choice of law principles that would dictate the laws of any other jurisdiction. The parties agree that the exclusive venue for any and all actions related hereto shall be the appropriate Federal or State court located within the State of Maryland.
  - 6.2 The laws of Maryland and Howard County shall govern the resolution of any issue arising in connection with the contract, including, but not limited to, all questions on the validity of the contract, the capacity of the parties to enter therein, any modification or amendment thereto, and the rights and obligations of the parties hereunder.
- 7 PROTEST: Any protest concerning the award of an Agreement shall be decided by the County. Protests shall be made in writing to the Issuing Office and shall be filed within ten days of issuance of award notification. A protest is considered filed when received by the Issuing Office. The written protest shall include the name and address of the protestor, identification of the procurement, a statement of the specific reason for the protest and supporting exhibits. The Issuing Office will respond to the written protest within ten days. The County's decision is final.
- 8 DISPUTES: In cases of disputes as to whether or not an item or service quoted or delivered meets specifications, the decision of the County Purchasing Agent or Designee shall be final and binding on all parties. All other disputes arising under or related to the Agreement will be resolved, to the extent possible,



by negotiation and settlement between the parties. Pending resolution, the Contractor shall proceed diligently with performance of the Agreement unless otherwise directed in writing.

- 9 AUTHORITY: Solicitations are issued pursuant and subject to the provisions of Article VIII, Howard County Charter; Sections 4.100 through 4.123, Howard County Code, 2003; and the rules and regulations as prescribed by the County.
- 10 CASH DISCOUNTS: If applicable, cash discounts will be taken into consideration in determining the award. However, an offer of a cash discount must allow a reasonable period of not less than 30 days in order to be included in evaluation of proposal pricing. A proposal offering a cash discount in a period of less than 30 days will be evaluated as a proposal without a cash discount offer. If the Contractor obtains an award by reason of their gross price, the County will hold the offer of a cash discount and make every effort to obtain such discount.
- 11 UNIT PRICES: Unless the Contractor clearly shows that it is the intent that a reduced total price is being offered on the basis of receiving an award of all items covered by the total, any totals should be the actual sum of the extension of unit prices. Otherwise, in the event of any discrepancy between a unit price(s), extended price(s), and/or total price(s), unit prices will govern and the bid will be refigured accordingly.
- 12 NON-WAIVER: Any waiver of any breach of covenants herein contained to be kept and performed by the Contractor shall not be deemed or considered as a continuing waiver and shall not operate to bar or prevent the County from declaring a forfeiture for any succeeding breach either of the same condition of covenant or otherwise.
- 13 PATENTS: If applicable, the Contractor shall defend any suit or proceeding brought against the County so far as based on a claim on any equipment, or on any part thereof, furnished under this Agreement which constitutes an infringement of any patent of the United States, if notified promptly in writing and given authority, information and assistance (at the Contractor's expense) for the defense of same, and the Contractor shall pay all damages and costs awarded therein against the County. In case said equipment or any part thereof, in such suit is held to constitute infringement and the use of said equipment or part if enjoined, the Contractor shall, at its own expense, either procure for the County the right to continue using said equipment or part, or replace same with non-infringing equipment or part, or modify so that it becomes non-infringing.
- 14 MARYLAND REGISTRATION: Contractors must be registered to do business in, and must be in good standing in, the State of Maryland. Contractors not registered must obtain registration information from the Maryland Department of Assessments and Taxation website at: [www.dat.state.md.us/](http://www.dat.state.md.us/) or by calling 410-767-1184 or Toll Free 888-246-5941.
- 15 AVAILABILITY OF FUNDS: The contractual obligation of the County under this Agreement is contingent upon the availability of appropriated funds from which payment for this Agreement can be made.
- 16 INTEGRATION AND MODIFICATION: This solicitation, the Contractor's response to this solicitation, subsequent Purchase Order(s), and, if applicable, the legal Agreement represents the entire understanding between the parties. Any additions or modifications shall only be made in writing and executed by both parties.
- 17 NON-ASSIGNMENT OF AGREEMENT: Neither the County nor the Contractor shall assign, sublet or transfer its interest or obligations under the resulting Agreement to any third party, without the written consent of the other. Nothing herein shall be construed to create any personal or individual liability upon any employee, officer or elected official of the County, nor shall the resulting Agreement be construed to create any rights hereunder in any person or entity other than the parties to this Agreement.
- 18 AGREEMENT:
  - 18.1 The County and Contractor must execute an Agreement resulting from the award of this solicitation. This process typically takes approximately three weeks from the date the successful Contractor is identified. In order to expedite this process, a sample Agreement is attached for

review as part of this solicitation. Exceptions, if any, to the County's Agreement (Exhibit I) must be noted in the proposal to be considered during evaluation. Exceptions to the County's Agreement may result in rejection of the proposal.

- 18.2 Do not fill in or sign the sample Agreement attached as Exhibit I. The County will prepare an Agreement specific to this solicitation for execution by the successful Contractor.

19 PUBLIC INFORMATION/PROPRIETARY/CONFIDENTIAL INFORMATION:

- 19.1 The County operates under a public information law, which permits access to most records and documents.
- 19.2 Proposals will be available for public inspection after the award announcement, except to the extent that a Contractor designates trade secrets or other proprietary data to be confidential. Material designated as confidential must be readily separable from the remainder of the proposal to facilitate public inspection of the non-confidential portion of the proposal. A Contractor's designation of material as confidential will not necessarily be conclusive, and the Contractor may be required to provide justification why such material should not be disclosed, on request, under the Maryland Access to Public Records Act, State Government Article, Sections 10-611 through 10-628, of the Annotated Code of Maryland.

20 COOPERATIVE PURCHASE:

- 20.1 The County reserves the right to extend all of the terms, conditions, specifications, and unit or other prices of any Agreement resulting from this solicitation to any and all public bodies, subdivisions, schools districts, community colleges, colleges, and universities including non-public schools. This is conditioned upon mutual agreement of all parties pursuant to special requirements, which may be appended thereto. The Contractor agrees to notify the issuing body of those entities that wish to use any Agreement resulting from this solicitation and will also provide usage information, which may be requested.
- 20.2 The County assumes no authority, liability or obligation, on behalf of any other public or non-public entity that may use any Agreement resulting from this solicitation. All purchases and payment transactions will be made directly between the Contractor and the requesting entity. Any exceptions to this requirement must be specifically noted in the bid response.

21 AWARD NOTIFICATION:

- 21.1 Award notification will be by U.S. Mail, e-mail or fax or a combination thereof.
- 21.2 The awarded Contractor(s) will be required to return a Insurance Certificate naming, "Howard County, Maryland, its officials, employees, agents and volunteers" as Certificate Holder and as Additional Insured, the executed Agreement\* the completed EBO Schedule of Participation and the Maryland Registration Certificate of Good Standing.

**\* As Offerors have had an opportunity to note Exceptions to the Agreement with their proposal submission, it is anticipated that execution of the Agreement will require minimal time. PLEASE BE SURE TO READ THE SAMPLE AGREEMENT, EXHIBIT I. PRIOR TO SUBMISSION OF YOUR PROPOSAL.**

22 TERMINATION:

- 22.1 Termination for Convenience: The County may terminate this contract, in whole or in part, if the County determines that such termination is in the best interest of the County, without showing cause, upon giving at least 30 days written notice to the Contractor. The County shall pay all reasonable costs incurred by the Contractor up to the date of termination. However, in no event shall the Contractor be paid an amount which exceeds the price bid for the work performed. The Contractor shall not be reimbursed for any profits which may have been anticipated but which have not been earned up to the date of termination.

- 22.2 Termination for Default: When the Contractor has not performed or has unsatisfactorily performed one or more material terms of the contract, the County may terminate the Purchase Order for default. Upon termination for default, payment may be withheld at the discretion of the County. Failure on the part of the Contractor to fulfill the contractual obligations shall be considered just cause for termination of the contract. If the damages exceed the undisbursed sums available for compensation, the County shall not be obligated to make any further disbursements hereunder. The Contractor will be paid for work satisfactorily performed prior to termination less any excess costs incurred by the County in reprocurring and completing the work.

## SECTION D

### SPECIFICATIONS

- 1 BACKGROUND: Howard County (the “County”) manages an investment portfolio of unexpended operating and capital project funds. The County uses a pooled cash concept for investment of funds excluding pension funds and escrowed funds.
  - 1.1 As of December 31, 2015, the County had approximately \$463.5 million of investment assets. The incumbent custodian held approximately \$346.9 million of that total. The remainder was invested in various money market mutual funds, tri-party custodial agreements and collateralized certificates of deposit. The County’s investment portfolio averaged \$450 million in FY 2015 and fluctuated from \$265 million to \$650 million during the fiscal year.
  - 1.2 The County’s investment policy allows for investment in U.S. Government Securities, U.S. Agency securities, repurchase agreements, collateralized certificates of deposit issued by Maryland banks and savings and loan associations, bankers’ acceptances, commercial paper, money market mutual funds, the Maryland Local Government Investment Pool (“MLGIP”), and tax-exempt securities. The County’s portfolio on December 31, 2015, consisted of the following:
 

U.S. Agency Securities	64.26%
Certificates of Deposit	0.92%
Money Market Funds, MLGIP	34.82%
Repurchase Agreements	0%
Commercial Paper	0%
Bankers’ Acceptances	0%
- 2 STATEMENT OF WORK: The County seeks a qualified financial firm (the “Contractor”), to furnish banking custodianship and related services for its operating investment portfolio. Services shall include, but not be limited to, the following:
  - 2.1 Financial Services:
    - 2.1.1 Settling of investment trades;
    - 2.1.2 Hold in custody purchased securities;
    - 2.1.3 Collect income on held securities;
    - 2.1.4 Pay for purchased securities on a delivery-versus-payments basis from authorized brokers, dealers or dealer banks upon notification by authorized County representatives;
    - 2.1.5 Present maturing investments for payment;
    - 2.1.6 Initiate wire transfers to the County’s collection account at the County’s primary bank for net settlements of purchases, sales, maturities and income collections;
    - 2.1.7 Provide daily confirmation of investment activity;
    - 2.1.8 Accept necessary information for settlement of repurchase agreements and collateralized certificates of deposit from the County’s brokers/banks after receiving trade authorization from the County;
    - 2.1.9 Provide the market value of the securities held under repurchase agreements and the collateral for certificates of deposit using a fully automated system;
    - 2.1.10 Determine the daily market value and provide a report each Wednesday to the County of the securities held under repurchase agreements and the collateral for certificates of deposit;
    - 2.1.11 Coordinate market value collateral substitutions as requested by brokers and/or banks; and
    - 2.1.12 Initiate margin calls to brokers/banks on behalf of the County when the value of the securities/collateral is below the required value according to margin requirements established by the County.

## 2.2 Reporting Services:

- 2.2.1 Provide, on a monthly basis, a report detailing the activity for the month, the balances in the custodial account and the market value of each security held in the account;
- 2.2.2 Provide market valuation of securities at the request of the County;
- 2.2.3 Provide electronic access by the County to custodial reporting including daily account activity and asset balances. Software and training to be provided by the Contractor at the designated County facility, if needed, for access to the Contractor's electronic information system;
- 2.2.4 Provide annual statements based on the County's fiscal year;
- 2.2.5 Provide statements to the County's external auditors on request; and
- 2.2.6 Provide weekly reports each Wednesday that compare the market value of the securities/collateral to the related investment.

- 2.3 Consulting Services: The Contractor's staff must be available for consultation with County staff on an as-needed basis between 8:00 a.m. to 5:00 p.m., Monday through Friday, Eastern Standard Time.

## 3 PRE-PROPOSAL CONFERENCE:

- 3.1 A pre-proposal conference will be held in the Purchasing Conference Room, Gateway Building, 6751 Columbia Gateway Drive, Suite 501, Columbia, Maryland 21046 on the date and time specified in Section A to discuss objectives and answer questions relating to this solicitation. Contractor's attendance is not required but is strongly encouraged. Additionally, attendance may facilitate the Contractor's understanding and ability to meet the County's Equal Business Opportunity goals as outlined in Section I.
- 3.2 It is recommended that Contractors read the solicitation prior to attending the conference and bring a copy to the conference.
- 3.3 In order to assure adequate seating at the pre-proposal conference, please confirm attendance by emailing Robin Fewell at [rfewell@howardcountymd.gov](mailto:rfewell@howardcountymd.gov) and referencing this solicitation and number.
- 3.4 If there is a need for language interpretation and/or other special accommodations, please advise Robin Fewell at [rfewell@howardcountymd.gov](mailto:rfewell@howardcountymd.gov) so that reasonable efforts may be made to provide special accommodations.

## 4 INQUIRIES AND ADDENDA:

- 4.1 The Buyer in the Issuing Office is the sole point of contact for this solicitation. Questions must be addressed in writing to the Buyer and delivered no later than 10 days prior to the bid opening.
- 4.2 Addenda to solicitations often occur prior to the proposal opening, sometimes within a few hours of the opening. It is the potential Contractor's responsibility to visit the Office of Purchasing website at [www.howardcountymd.gov/purchasing](http://www.howardcountymd.gov/purchasing) to obtain Addenda. Addenda, when issued, must be acknowledged in the proposal by signing and returning all addenda with the proposal. Addenda must also be acknowledged in the space provided on the Technical Proposal Page.

## 5 CONTRACTOR'S QUALIFICATIONS:

- 5.1 Contractors must be engaged in investment portfolio services and must have been actively engaged in field of work for a period of no less than five years. The experience of owner(s) may be imputed to a newly formed company/contractor provided the owner(s) has/have at least five years of demonstrated experience of reliability and meets the criteria set forth herein.
- 5.2 The County reserves the right to perform such investigations as may be deemed necessary to insure that competent personnel and management will be utilized in the performance of the Agreement.

- 5.3 In accordance with Howard County Code Sec. 4.117 (a) (4), the quality of performance of previous contracts or services shall be considered in determining the lowest responsive and responsible bidder. Quality of performance may be determined through contracts or services provided to the County or to other entities. Quality of performance to other entities will be determined from reference checks when references are required. The determination of quality performance includes the Contractor's history of reasonable and cooperative behavior and commitment to customer satisfaction and the Contractor's businesslike concern for the interests of the customer. The County reserves the right to reject any bid deemed not responsible or non-responsive.

## 6 BACKGROUND CHECKS AND INVESTIGATIONS

- 6.1 If a Contractors' employees are on-site in County buildings working without a County escort each employee of the Contractor shall agree to a background check or investigation consisting of national criminal database search covering misdemeanors and felonies and the release of that information to the County in the event that it is required.
- 6.2 The Contractor shall assume the cost to have background checks done for each employee assigned to each facility. The County may bill the Contractor \$100 for each standard background check. Public safety buildings require a higher level of security and an in-depth background checks referred to as "investigations". The County may bill the Contractor \$250 for each in-depth background investigation. This fee, when billed to the Contractor, shall be payable to the County prior to the check or investigation being conducted.
- 6.3 The background checks or investigations shall include all employees, new employees, subcontractors and replacement employees to be done prior to assignment of a building.
- 6.4 The Contractor shall not assign any individual convicted of the following offenses which shall include, but are not limited to: Abduction, Homicide, Rape, Aggravated Assault, Sex Offender, Assault with Intent to Murder, or Assault with Intent to Rob.
- 6.5 The Contractor shall not assign any individual convicted, or having incomplete probation for the following offenses which shall include, but are not limited to: Burglary, Breaking and Entering, Carrying or Wearing a Weapon, Destruction of Property, Possession of a Controlled Dangerous Substance with Intent to Distribute, Explosives, Kidnapping, Theft/Larceny, Maiming, Manslaughter, Sexual Assault, Hate Crimes, Robbery, and Distribution of a Controlled Substance.
- 6.6 The Contractor reserves the right to seek exception to the above guidelines governing acceptability for assignment to the facility by providing documented specifics pertaining to convictions of the employee in question. The County will, at its sole discretion, accept or reject the requested exception.

- 7 **AGREEMENT PERIOD:** The Agreement period shall be for one year commencing on or about July 1, 2016 after approval and proper execution of the Agreement documents, with a renewal option for seven additional years in one-year increments, exercisable at the sole discretion of the County Purchasing Agent or Designee.

- 8 **ESTIMATED ANNUAL CONTRACT VALUE:** The estimated annual contract value group for this contract is A as defined by the schedule below:

- A - \$30,000 to \$75,000
- B - \$75,001 to \$100,000
- C - \$100,001 to \$250,000
- D - 250,001 to \$500,000
- E - \$500,001 to \$1,000,000
- F - Over \$1,000,000

## 9 PRICE ADJUSTMENT:

- 9.1 Prices offered shall be firm against any increase for one year from the effective date of the Agreement. Prior to the commencement of subsequent renewal periods, it shall be the Contractor's responsibility to notify the Issuing Office in advance of any requested price changes.
- 9.2 Requests for price adjustments shall be submitted to the Issuing Office, not the User Agency.
- 9.3 The County will entertain requests for escalation in accordance with the current Consumer Price Index at the time of the request or up to a maximum 5% increase on the current pricing, whichever is lower. *(For purposes of this section, "Consumer Price Index" shall be the Consumer Price Index-All Urban Consumers (CPI-U), Washington-Baltimore, DC-MD-VA-WV, All Items, Not Seasonally Adjusted, as published by the United States Department of Labor, Bureau of Labor Statistics.)* The County reserves the right to grant or deny the request for a price increase and will do so in writing. If the price increase is granted, the price increase will be effective upon written approval and will remain firm through the renewal period.
- 9.4 If a price increase is requested following Agreement renewal and it has been longer than one year since the last increase, the County may entertain a request for escalation if it is in the County's best interest. If the price increase is granted, the price increase will be effective upon approval and will remain firm through the renewal period, or for one year, at the County's sole discretion.

## 10 EXCLUSIVITY:

- 10.1 The County is obligated during the period stipulated to purchase all of its normal requirements from the Contractor and the Contractor shall be obligated to furnish the goods and/or services as stated.
- 10.2 Should a need arise for supplies or services which are not available in the timeframe required by the County, the County reserves the right to secure services from other sources to meet its immediate needs without prejudice of the Agreement.

## 11 INSURANCE: The Contractor will be required to purchase and maintain during the life of the Agreement, including any subsequent renewal terms, Commercial General Liability Insurance, Automobile Liability Insurance, and Worker's Compensation Insurance with limits of not less than those set forth below:

- 11.1 Commercial General Liability Insurance: Combined Single Liability limits of \$1,000,000 each occurrence and \$1,000,000 aggregate naming, "Howard County, Maryland, its officials, employees, agents and volunteers" as the Certificate Holder and an Additional Insured.
- 11.2 Automobile Liability Insurance: Combined Single Liability limit of \$1,000,000 any one accident.
- 11.3 Worker's Compensation Insurance: Statutory coverage for Maryland jurisdiction, including Employer's Liability coverage, with a limit of at least \$100,000.
- 11.4 The Contractor shall assure that all subcontractors or independent contractors performing services in accordance with this solicitation carry identical insurance coverage as required of the Contractor, either individually or as an Additional Insured on the policies of the Contractor. Exceptions may be made only with the approval of the County. The Contractor shall indemnify the County for any uninsured losses relating to contractual services involving subcontractors, including workers' compensation claims.
- 11.5 The Contractor shall provide the County with Certificates of Insurance within ten days of bid award notification, evidencing the coverages required above. Such certificates shall provide that the County be given at least 60 days prior written notice of any cancellation of, intention to not renew, or material change in such coverage. The Contractor must provide Certificates of Insurance before commencing work in connection with the Agreement. "Howard County, Maryland, its officials, employees, agents and volunteers" as Certificate Holder and as Additional Insured must be shown on the certificate.

- 11.6 The providing of any insurance required herein does not relieve the Contractor of any of the responsibilities or obligations assumed by the Contractor in the Agreement awarded or for which the Contractor may be liable by law or otherwise.
- 11.7 Failure to provide and continue to enforce such insurance as required above shall be deemed a material breach of the Agreement and shall operate as an immediate termination thereof.
- 11.8 Failure to comply with this requirement at any time during the initial term and any subsequent renewals may be sufficient cause for termination for default. A violation of this law is a Class A civil offense and, in addition to a fine, the County Purchasing Agent may suspend or debar the violator under Sec. 4.117.

## 12 METHOD OF ORDERING:

- 12.1 Purchase Orders will be issued from time to time for such quantities as may be required by the County. Purchase Orders issued against the Agreement, even if not completed within the term of the Agreement, shall continue to be bound by the terms and conditions until completion.
- 12.2 Small purchases may also be made by the County's procurement card (currently Visa). The Contractor agrees to accept the card for such quantities as may be required by the County. Contractors are prohibited from charging additional fees over and above their bid prices to process payments on procurement cards.

## 13 EVALUATION OF OFFERS:

- 13.1 The County intends to make award to the responsible Contractor whose proposal represents the best value to the County. Proposals will be evaluated in two phases; the first based on the technical and price submittals and the second on the oral discussions.
- 13.2 The first phase will be evaluated based on the following criteria listed in order of importance:
  - 14.2.1 Experience and technical competence of the firm in performing services similar in size and scope;
  - 14.2.2 Qualifications of key personnel assigned to the County based on resumes;
  - 14.2.3 Proposed project plan and approach to meet the County's requirements;
  - 14.2.4 Proposed project implementation schedule;
  - 14.2.5 Completeness of proposal; and
  - 14.2.6 Price
- 13.3 After identifying the short list of the most qualified Contractor(s) based on the evaluation criteria, representative(s) may be required to clarify their proposals through presentations and/or oral discussions.
- 13.4 The County may enter into negotiations with the Contractors and invite best and final offers as deemed to be in the best interest of the County. Negotiations may be in the form of face-to-face, telephone, facsimile, email or written communications, or any combination thereof, at the County's sole discretion.
- 13.5 Contractors are strongly advised not to prepare their proposal submissions based on any assumption or understanding that negotiations will take place. Contractors are advised to respond to this solicitation fully and with forthrightness at the time of submission.
- 13.6 Following the submittals of proposals, Contractors are strongly cautioned not to contact elected officials or members of the evaluation team regarding the selection process. Inappropriate efforts to lobby or influence individuals, or Contractors involved in this selection may result in dismissal from further consideration, at the County's sole discretion.



## 14 BILLING AND PAYMENT:

- 14.1 The Contractor shall submit separate invoices for each Purchase Order issued. Invoices shall be sent to Department of Finance, 3430 Court House Drive, Ellicott City, Maryland 21043. Invoices in the proper form and approved by the County shall be paid by the County within 30 days of receipt. Invoices without the necessary information may be returned for correction prior to payment.
- 14.2 Each invoice shall include the following information:
- 14.2.1 Contractor's name;
  - 14.2.2 Address;
  - 14.2.3 Federal tax identification number;
  - 14.2.4 Contract number, if applicable (i.e., 44XXXXXXXXX);
  - 14.2.5 Purchase Order number (i.e., 2XXXXXXXXXX);
  - 14.2.6 Contract line number;
  - 14.2.7 Unit price and extended price (unit price must match a contract line); and
  - 14.2.8 Description of goods provided and/or services performed.
- 14.3 The County reserves the right to make payments on Visa procurement cards when orders are placed using procurement cards as indicated in Method of Ordering above. Contractors are not permitted to charge the County additional fees over and above their bid prices to process payments on procurement cards.
- 14.4 The County reserves the right to make payments via electronic funds transfer (a.k.a. ACH) on Agreements for which this payment vehicle is appropriate.
- 14.5 Payment shall be made upon receipt of proper invoice from Contractor and authorized by the County.
- 14.6 All amounts, costs, or prices referred to herein pursuant to this Agreement shall be United States of America currency.
- 14.7 Please provide a sample invoice that complies with paragraph "Billing and Payment" with response. See Exhibit II for sample invoice.
- 14.8 The proper form of County invoices requires that the necessary information be included on all invoices. Invoices without the necessary information may be returned for correction prior to payment. The County reserves the right to approve invoices, in its sole discretion, and to request such detail and additional information as the County, in its discretion deems appropriate.

## SECTION E

### SUBMISSION REQUIREMENTS

#### 1 INSTRUCTIONS:

- 1.1 All proposals must be clearly identified on the front of the envelope or top of the carton with the solicitation number, title of the solicitation and the due date and time. **TECHNICAL AND PRICE PROPOSALS SHALL BE IN SEPARATE, SEALED ENVELOPES.**
- 1.2 All proposals must be signed by an authorized officer or agent of the Contractor submitting the proposal and delivered in sealed envelopes or cartons to the Issuing Office no later than the time and date indicated. Proposals received after the time and date indicated will not be accepted or considered.
- 1.3 The submission of a proposal shall be considered an agreement to all the terms, conditions, and specifications provided herein and in the various bid documents, unless specifically noted otherwise in the proposal.
- 1.4 Each proposal shall be accompanied by the Affidavit regarding price fixing, gratuities, bribery, and discriminatory employment practices in accordance with Section E.1.c. (3)(b) of the Howard County Purchasing Manual. When the Contractor is a corporation, a duly authorized representative of said corporation shall execute the Affidavit. The Affidavit is provided in the solicitation package.
- 1.5 The Foreign Services Disclosure Form must accompany proposal for construction-related services, architectural services, engineering services and energy performance contract services of \$2 million or more. Section 12-111 of the Maryland State Finance and Procurement Article requires bidders to local governments to make certain disclosures regarding plans, at the time the bid is submitted, to perform any services under the contract outside the United States. When applicable, the Foreign Services Disclosure form is provided in the solicitation package.
- 1.6 If a discrepancy in or omission from the specifications is found, or if a Contractor is in doubt as to their meaning, or feels that the specifications are discriminatory, the Contractor shall notify the Buyer in the Issuing Office in writing not later than ten days prior to the scheduled proposal opening. Exceptions taken do not obligate the County to change the specifications. The Issuing Office will notify all Contractors of any changes, additions or deletions to the specifications by Addenda posted on the Office of Purchasing web site ([www.howardcountymd.gov/purchasing](http://www.howardcountymd.gov/purchasing)).
- 1.7 The County will assume no responsibility for oral instructions or suggestions. All official correspondence in regard to the specifications shall be directed to and will be issued by the Issuing Office.

#### 2 PROPOSAL DOCUMENTS: Contractors shall submit one original clearly marked, and four copies of the complete proposal, to the Issuing Office no later than the opening date and time specified in Section A. Failure to return required documents may be cause for rejection of the proposal. This solicitation requires the return of the following documents:

- 2.1 Technical Submittal
  - 2.1.1 Section F, (Technical Proposal Cover Page)
  - 2.1.2 Section F, (Contract Qualification Information)
  - 2.1.3 Section G, (Environmentally Preferable Products)
  - 2.1.4 Section H, (Affidavit)
  - 2.1.5 Sufficient detail that demonstrates experience and knowledge of the services to be provided that minimally includes:

- 2.1.5.1 A brief overview of the company/firm including details regarding total number or institutional custody account, public fund accounts, total market value of all custody accounts, total market value of public fund accounts, average account size, distribution of custody accounts by size, distribution of public fund custody accounts by size, distribution of custody accounts based on the duration of their relationship with your firm
- 2.1.5.2 Summaries of at least two projects (a maximum of two pages for each summary) similar and size and scope. Include an overview of the project, outcomes, successes, challenges, etc.
- 2.1.5.3 A proposed plan and approach for completing each of the required tasks including the individuals who will be assigned to complete the tasks.
- 2.1.5.4 The proposed project implementation schedule including methods and procedures as to how the schedule will be maintained. Detail any training which will be provided to the County during implementation.
- 2.1.5.5 A recent copy of the firm's rate schedule for transaction costs, customer charges and any other fees related to the proposed system.
- 2.1.5.6 Resumes of the key personnel.
- 2.1.5.7 The managerial and staff structure of the overall company as well as the public funds section.
- 2.1.5.8 Examples of available standard reports. Are customized reports available? If so, what types? Are additional fees charged for customization?
- 2.1.5.9 The firm's operational plan including specifics of funds transfer to the County's collection account for securities settlement, daylight overdraft policies, policies regarding settlement failures and information delivery systems.
- 2.1.5.10 Describe the securities settlement process, including communications with financial institutions, brokers and clients.
- 2.1.5.11 Provide details on membership with the Depository Trust Company and the Book Entry System of the Federal Reserve.
- 2.1.5.12 Describe what measures are taken to ensure accuracy of reporting.
- 2.1.5.13 Provide an overview of the firm's basic internal control procedures.
- 2.1.5.14 Describe the procedures utilized to assure continuity of services during vacations or other absences occurring within the administration of the County's account management.
- 2.1.5.15 Describe how accounts are assigned to staff and determination of how many accounts are assigned to each staff member.
- 2.1.5.16 Provide details of the firm's electronic data processing systems and equipment needed by the County for optimal use of the Contractor's information delivery systems.
- 2.1.5.17 Describe the capabilities of the firms data processing systems (hardware/software).
- 2.1.5.18 Detail how long has the current data processing system been in place? Are there any major pending changes/revisions to the current system?

- 2.1.5.19 Describe if the firm maintains its own data processing facilities on site or if it uses a service bureau to perform those functions.
- 2.1.5.20 Discuss if the firm's data processing system is exclusively devoted to financial trust functions.
- 2.1.5.21 Describe the firm's system support available to custody services in regards to back-up and recovery capabilities, security arrangements down time experience and disaster recovery plan. Discuss how often the disaster recovery plan is tested.
- 2.1.5.22 Describe the firm's financial ability and resources available to meet the County's requirements. Include the firm's short and long term credit ratings and from which nationally recognized statistical rating organization issued the ratings.

## 2.2 Price Submittal

- 2.2.1 Section F, (Price Proposal Page)
- 2.2.2 Section I, (Equal Business Opportunity Participation)
- 2.2.3 Section J, (Wage Requirement)

- 3 **ELECTRONIC AND HARD COPIES:** Contractors should submit a CD or flash drive containing the entire, identical hard copy of the proposal along with the hard copies required above. Additionally, it is requested that a separate version, redacted in accordance with Public Information/Proprietary/Confidential Information Section C, Paragraph 19, be added to the electronic copy.
- 4 **SAMPLE INVOICE:** Contractors are required to provide a sample invoice with the proposal response. The sample invoice shall contain the details enumerated in Section D, Paragraph 15.2.
- 5 **EXCEPTIONS:** If the Contractor cannot meet the terms, conditions and/or specifications of the solicitation, the Contractor must furnish a statement on company letterhead giving a complete description of any exceptions to the terms, conditions, and specifications. Failure to furnish the statement means that the Contractor agrees to all terms, conditions and specifications. Exceptions taken do not obligate the County to change the terms, conditions and/or specifications. Exceptions to the terms and/or conditions and/or to the County's standard Agreement may be sufficient cause for rejection of the proposal.

## SECTION F

### TECHNICAL PROPOSAL COVER PAGE

TITLE Banking Custodianship Services

TO: HOWARD COUNTY OFFICE OF PURCHASING  
6751 Columbia Gateway Drive, Suite 501  
Columbia, MD 21046

The undersigned agrees to furnish and deliver the above goods and/or services in accordance with the specifications issued for same, and subject to all terms, conditions, and requirements in the solicitation, and in the various bid documents:

COMPANY NAME: \_\_\_\_\_

FEDERAL TAX IDENTIFICATION NO./SOCIAL SECURITY NO.: \_\_\_\_\_

ADDRESS: \_\_\_\_\_  
Street City State Zip

TELEPHONE: \_\_\_\_\_ FAX: \_\_\_\_\_

EMAIL ADDRESS: \_\_\_\_\_

REPRESENTATIVE'S NAME: \_\_\_\_\_

Provide the name and title of the person with legal authority to sign on behalf of the Contractor. If the title of the individual is not "President" or "Vice President", provide verification of the signatory authority with your submittal.

NAME OF COMPANY SIGNATORY (Printed): \_\_\_\_\_

TITLE OF COMPANY SIGNATORY (Printed): \_\_\_\_\_

Howard County prefers to email Purchase Orders when possible, please provide an **EMAIL ADDRESS FOR RECEIPT OF PURCHASE ORDERS:** \_\_\_\_\_

Is the company a Minority-, Women-, or Disabled-Owned Business Enterprise? ☐ YES ☐ NO

If yes, indicate the type of minority ownership:

☐ African American ☐ Asian American ☐ Disabled ☐ Eskimo  
☐ Female ☐ Hispanic ☐ Native American

Is the company certified? If yes, indicate the certification(s) held:

☐ Howard County Government ☐ MD Dept. of Transportation ☐ City of Baltimore ☐ Other

Certification Number(s) and Expiration Date(s): \_\_\_\_\_

Does the company have a written non-discrimination policy (i.e.: race, creed, religion, handicap, color, sex, national origin, age, occupation, marital status, political opinion, sexual orientation, gender identity/expression, personal appearance, familial status, source of income)? ☐ YES ☐ NO

*(The County reserves the right to request such documentation, if desired, at a later date.)*

Delivery Terms: F.O.B. Destination, Inside Delivery.

The company will accept Visa procurement cards: ☐ Yes ☐ No

*Contractors are not permitted to charge the County any additional fees over and above their bid prices to process payments on procurements cards.*

**SECTION F**  
**TECHNICAL PROPOSAL COVER PAGE**

COMPANY NAME: \_\_\_\_\_

Payment Terms: (The payment terms shall be considered net 30 days unless otherwise indicated.) \_\_\_\_\_

Howard County is exempt from all local, state, and federal taxes, and prices stipulated by the Contractor are considered maximum and are not subject to any increase due to any taxes, or any other reason. The County's Tax Exemption Number is 30001219.

☐ We wish to submit a "NO BID" at this time, but request that our company remain on the Contractors list for future solicitations.

**ACKNOWLEDGEMENT OF ADDENDA:** The company shall identify by number and date the following addenda and agree that the prices shown in the proposal reflect all changes made by addenda. To check for addenda go to: [www.howardcountymd.gov/purchasing](http://www.howardcountymd.gov/purchasing)

Number: _____	Date: _____	Number: _____	Date: _____
Number: _____	Date: _____	Number: _____	Date: _____

**THE PERSON SIGNING THE PRICE PAGE MUST INITIAL ANY  
ALTERATIONS IN FIGURES IN INK.**

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

PRINTED NAME: \_\_\_\_\_ TITLE: \_\_\_\_\_

**SECTION F****PRICE PROPOSAL COVER PAGE**

(Must be submitted separately from the Technical portion of the proposal)

COMPANY NAME: \_\_\_\_\_

TITLE: Banking Custodianship ServicesNIGP CODE/PRODUCT CODE: 946-56, Financial Services, Investment Management Services

ITEM NO.	COMMODITY/SERVICE DESCRIPTION	QUANTITY	U/M	UNIT PRICE (2 Decimal Places Only*)	EXTENDED PRICE
1	Investment Management Services, Custodianship, Monthly flat fee, (net of commission), to provide all Required services included in the Technical specifications	12	Month	\$_____	\$_____
TOTAL PROPOSAL PRICE					\$_____

\* Please note that prices shall only have **TWO DECIMAL PLACES**. The County's financial system will not allow more than two decimal places, adjust responses accordingly.

**INVOICE PROCEDURE FOR SUCCESSFUL CONTRACTORS:**

In order to facilitate prompt payment, invoices must contain the above commodity and/or service descriptions and pricing. Invoices failing to contain the required line item detail, including contract line number and unit pricing, may be returned for correction. Please submit a sample invoice with the response.

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

PRINTED NAME: \_\_\_\_\_ TITLE: \_\_\_\_\_

**SECTION F****CONTRACTOR'S QUALIFICATION INFORMATION**

(Must be submitted with the Technical proposal)

COMPANY NAME: \_\_\_\_\_

1. References: Give name, address, and telephone number of owner or manager of three accounts for which Contractor has provided banking custodianship services of similar scale during the past three years.

1.1.	Account Name	Contract Completion Date
	_____	_____
	Owner/Manager	Telephone
	_____	_____
	Address	Email
	_____	_____
	_____	_____
1.2.	Account Name	Contract Completion Date
	_____	_____
	Owner/Manager	Telephone
	_____	_____
	Address	Email
	_____	_____
	_____	_____
1.3.	Account Name	Contract Completion Date
	_____	_____
	Owner/Manager	Telephone
	_____	_____
	Address	Email
	_____	_____
	_____	_____

2. The Contractor has provided the above services for \_\_\_\_ years. (Note: Five year minimum)



**SECTION G****AFFIDAVIT**

Must be completed, signed by an officer of the company (President, CEO, Vice President, etc.), and submitted with the bid.

Contractor \_\_\_\_\_

Address \_\_\_\_\_

I, \_\_\_\_\_, the undersigned, \_\_\_\_\_ of the above named  
(Print Signer's Name) (Print Office Held)

Contractor does declare and affirm this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, that I hold the aforementioned office  
(Month) (Year)  
in the above named Contractor and I affirm the following:

**AFFIDAVIT I**

The Contractor, his Agent, servants and/or employees, have not in any way colluded with anyone for and on behalf of the Contractor or themselves, to obtain information that would give the Contractor an unfair advantage over others, nor have they colluded with anyone for and on behalf of the Contractor, or themselves, to gain any favoritism in the award of the contract herein.

**AFFIDAVIT II**

No officer or employee of Howard County, whether elected or appointed, has in any manner whatsoever, any interest in or has received prior hereto or will receive subsequent hereto any benefit, monetary or material, or consideration from the profits or emoluments of this contract, job, work or service for the County, and that no officer or employee has accepted or received or will receive in the future a service or thing of value, directly or indirectly, upon more favorable terms than those granted to the public generally, nor has any such officer or employee of the County received or will receive, directly or indirectly, any part of any fee, commission or other compensation paid or payable to the County in connection with this contract, job, work, or service for the County, excepting, however, the receipt of dividends on corporation stock.

**AFFIDAVIT III**

Neither I, nor the Contractor, nor any officer, director, or partners, or any of its employees who are directly involved in obtaining contracts with Howard County have been convicted of bribery, attempted bribery, or conspiracy to bribe under the laws of any state, or of the federal government for acts of omissions committed after July 1, 1977.

**AFFIDAVIT IV**

Neither I, nor the Contractor, nor any of our agents, partners, or employees who are directly involved in obtaining contracts with Howard County have been convicted within the past 12 months of discrimination against any employee or applicant for employment, nor have we engaged in unlawful employment practices as set forth in Section 12.200 of the Howard County Code, or of Section 16 of Article 49B of the Annotated Code of Maryland or, of Sections 703 and 704 of Title VII of the Civil Rights Act of 1964.

**AFFIDAVIT V**

The Contractor:

- i. Is not currently identified on the list created by the Maryland State Board of Public Works as a person engaging in investment activities in Iran as described in Section 17-702 of the *Maryland State Finance and Procurement Article* ; or
- ii. Is not currently engaging in investment activities in Iran as described in Section 17-702 of the *Maryland State Finance and Procurement Article*.

If the person is unable to make the certification, it will provide the County, a detailed description of the Contractor's investment activities in Iran.

I do solemnly declare and affirm under the penalties of perjury that the contents of the foregoing affidavits are true and correct to the best of my knowledge, information and belief.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

Rev. 09/25/2013

## SECTION H

### EQUAL BUSINESS OPPORTUNITY PARTICIPATION

**NOTICE TO PRIME CONTRACTORS**  
**10% SUBCONTRACTING GOAL ON CONTRACTS**  
**VALUED AT \$50,000 OR MORE**

Howard County Code Section 4.122 established an Equal Business Opportunity program to foster overall equity and fairness to all citizens in relation to business enterprises conducting business with the County.

If a contract is \$50,000 or more, the Prime Contractor shall make a good faith effort to comply with the Howard County Equal Business Opportunity (EBO) program's 10% subcontracting goal. The Prime Contractor shall make a good faith effort to obtain minority subcontractor participation even if the Prime Contractor has the capability to complete the work with its own workforce. This is also applicable to Prime Contractors that are minority-owned firms. The percentage requirement may vary. Prime Contractors should submit the following completed *Equal Business Opportunity Subcontractor Participation Form* with the bid. Identify subcontractors prior to submitting the proposal. After contract award, changes in subcontractors require the written approval of the EBO Coordinator.

Possible areas of obtaining subcontracting participation include, but are not limited to, flagging services, hauling, copying and printing, and the purchase of materials used in performing the contract. Contractors may use minority, women or disabled business enterprises certified by Howard County, Maryland; the Maryland Department of Transportation; the City of Baltimore, Maryland; or another certifying entity in order to satisfy the 10% subcontracting goal. The website addresses for lists of minority businesses are:

**[Howard County - Equal Business Opportunity List of Firms A-Z](http://www.mdot.state.md.us/MBE_Program/index.html)**  
**[http://www.mdot.state.md.us/MBE\\_Program/index.html](http://www.mdot.state.md.us/MBE_Program/index.html)**  
**<http://cityservices.baltimorecity.gov/mwboo>**

Contractors should submit a completed *Equal Business Opportunity Subcontractor Participation Form* with the bid identifying each certified EBO firm they intend to use on the contract. However, if the EBO Subcontractor Participation Form is not submitted with the bid, the County may request EBO subcontractor participation of the successful contractor.

Contractors failing to achieve the Equal Business Opportunity Program goal following a good faith effort to obtain participation must complete the *Equal Business Opportunity Program Request for Subcontracting Waiver* and provide documentation of its good faith attempts to obtain EBO participation. The County will determine if the efforts made satisfy a good faith attempt. A waiver will only be considered in rare contracts after a determination that the Contractor has made a good faith effort and thoroughly documented the efforts. Contractors should submit the *Equal Business Opportunity Program Request for Subcontracting Waiver* with the bid. However, if the request for waiver form is not submitted with the bid, the County may obtain the request for waiver of the successful contractor.

If the County exercises its option to renew the contract, it is expected that the EBO subcontracting goal will be met for each subsequent contract year when the contract amount is \$50,000.00 or more. Questions relating to the EBO program shall be directed to the EBO Coordinator 410-313-6370.

**PRIME CONTRACTORS' COMPLIANCE OF EBO SUBCONTRACTOR PARTICIPATION**

Prime Contractors that are awarded County contracts shall maintain adequate records of EBO participation on County contracts. The County may require that prime contractors report whether or not they met the proposed EBO subcontracting goal, so that the County can track compliance of EBO participation on County contracts.

Revised 12/20/2013



**HOWARD COUNTY, MARYLAND  
EQUAL BUSINESS OPPORTUNITY (EBO)  
SUBCONTRACTOR PARTICIPATION FORM**

**COUNTY USE ONLY**

EBO APPROVAL

<b>CONTRACT TITLE: BANKING CUSTODIANSHIP SERVICES</b>		
<b>SOLICITATION #</b> RFP 21-2016	<b>CAPITAL PROJECT #</b>	<b>CONTRACT / PO #</b>
<b>TERM:</b>	<b>RENEWAL #</b>	<b>AMOUNT \$</b>

<b>PRIME CONTRACTOR NAME:</b>			
<b>ADDRESS:</b>			<b>PHONE:</b>
<b>EBO STATUS (Y/N):</b>	<b>*EBO TYPE:</b>	<b>CERTIFYING AGENCY:</b>	<b>CERTIFICATION #</b>

<b>PRIME CONTRACTOR SHOULD LIST ALL EBO SUBCONTRACTORS / SUBCONSULTANTS / SUPPLIERS</b>
<b>INSTRUCTIONS FOR COMPLETING THIS FORM</b>
<ul style="list-style-type: none"><li>Complete the section below identifying each certified EBO firm (Minority (MBE), Woman (WBE), and Disabled (DBE) Business Enterprises) you intend to use on this project. Attach additional sheets if more than two (2) subcontractors.</li><li>This form represents the contractor's commitment to utilize the named EBO firms at the percentages indicated should the contract be awarded to the contractor. This form should accompany your bid or proposal.</li><li><b>*EBO Types:</b> AA (African American), ASA (Asian American), HIS (Hispanic American), NA (Native American), FEM (Female), DIS (Disabled)</li></ul>

<b>SUBCONTRACTOR NAME:</b>						
<b>ADDRESS:</b>			<b>PHONE:</b>			
<b>CONTACT REPRESENTATIVE:</b>		<b>EMAIL:</b>				
<b>*EBO TYPE (Check One)</b>	<input type="checkbox"/> AA	<input type="checkbox"/> ASA	<input type="checkbox"/> HIS	<input type="checkbox"/> NA	<input type="checkbox"/> FEM	<input type="checkbox"/> DIS
<b>CERTIFYING AGENCY:</b>		<b>CERTIFICATION #</b>	<b>EBO PARTICIPATION %</b>			
<b>DESCRIPTION OF WORK:</b>			<b>EBO PARTICIPATION \$</b>			

<b>SUBCONTRACTOR NAME:</b>						
<b>ADDRESS:</b>			<b>PHONE:</b>			
<b>CONTACT REPRESENTATIVE:</b>		<b>EMAIL:</b>				
<b>*EBO TYPE (Check One)</b>	<input type="checkbox"/> AA	<input type="checkbox"/> ASA	<input type="checkbox"/> HIS	<input type="checkbox"/> NA	<input type="checkbox"/> FEM	<input type="checkbox"/> DIS
<b>CERTIFYING AGENCY:</b>		<b>CERTIFICATION #</b>	<b>EBO PARTICIPATION %</b>			
<b>DESCRIPTION OF WORK:</b>			<b>EBO PARTICIPATION \$</b>			

\_\_\_\_\_  
PRINTED NAME\_\_\_\_\_  
EMAIL\_\_\_\_\_  
SIGNATURE (VENDOR OFFICIAL)\_\_\_\_\_  
TITLE\_\_\_\_\_  
DATE

## SECTION I

### INFORMATION ON HOWARD COUNTY, MARYLAND'S LIVING WAGE REQUIREMENT

#### Basics of the Howard County Living Wage Legislation

In 2007, the Howard County Council passed legislation requiring a minimum “living wage” for employees of certain contractors and subcontractors of Howard County. A Contractor that is defined as a “Covered Employer” under Howard County Code Section 4.122A shall pay each employee an hourly rate sufficient to at least equal 125% of the federal poverty guidelines for a family of four individuals calculated on the basis of a 40-hour work week for 52 weeks.

Howard County Code Sec. 4.122A applies to service contracts estimated to be over \$100,000.00 per year. The code does not apply to commodities contracts, contractors who employ fewer than 5 employees during the contract term, public entities, non-profit organizations, or contracts awarded under sole source, emergency, or expedited procedures. Other contractors may also be exempt; see the complete list of exemptions in Section 1 on the front of this form.

The living wage requirements do not apply to an employee:

- who performs no measurable work related to any contract with the County
- who participates in a government-operated or government-sponsored program that restricts the earnings of or wages paid to employees to a level below the wage required under the law
- who participates for not longer than 120 days in a calendar year in a government-operated or government-sponsored summer youth employment program
- for whom a different wage rate is expressly set in a collective bargaining agreement, or
- for whom a higher wage is required by a federal, state, or County law.

This form serves as written certification to the County of your firm’s intent to comply with the County’s wage requirements during this term and any subsequent renewals. A Covered Employer shall not subdivide a contract; pay an employee through a third party; or treat an employee as a subcontractor or independent Contractor to avoid the imposition of any requirement under this law. Failure to comply with this requirement at any time during the initial term and subsequent renewals may be sufficient cause for termination for default. A violation of this law is a Class A civil offense; in addition to a fine, the County may suspend or debar the violator under Howard County Code Sec. 4.117.

#### Current Living Wage Rate in Howard County

As of January 28, 2016, the Living Wage Rate is **\$14.60 per hour**.

#### How the Living Wage Rate is Calculated

The Howard County Living Wage Rate is calculated by taking 125% of the Federal Poverty Guideline for a family of 4, then using this amount to determine the hourly rate based on 40 hours/week. For example, on January 25, 2016, the Federal HHS Poverty Guideline was published as \$24,300 for a family of 4 (see [www.aspe.hhs.gov/poverty](http://www.aspe.hhs.gov/poverty)).

$$125\% \text{ of } \$24,300 = \$30,375.00 \quad \$30,375.00 \div 52 \text{ weeks} \div 40 \text{ hrs/week} = \mathbf{\$14.60 \text{ per hour}}$$

This hourly rate must be paid to employees (full-time or part-time) during the time the employees actually provide services to the County. The current Living Wage remains in effect until new federal poverty guidelines are published, which is usually the following January. If there is a change, the Office of Purchasing will attempt to notify all current contractors via email using the email address provided on this form. The current rate is posted on our website at [www.howardcountymd.gov/purchasing](http://www.howardcountymd.gov/purchasing). It is the contractor’s responsibility to ascertain the current rate.

**Since the rate is subject to change annually, you must ensure that your bid pricing is sufficient to cover the cost of any increases during the term of the contract, including subsequent renewals.** All prices shall take the current wage rate, and subsequent increases in the wage rate, if any, into account and there shall be no unit price adjustment for future wage rate increases during the initial term of this agreement and any subsequent renewals thereof. Future wage rate increases are hereby defined as any new rates approved by the County that take effect after and supersede the rate shown in this solicitation.

**If you have questions about the Living Wage Requirement or how to complete this form, please contact the Office of Purchasing at [purchasing@howardcountymd.gov](mailto:purchasing@howardcountymd.gov) or 410-313-6370.**

## Howard County, Maryland Wage Rate Requirements for Service Contracts Exemption Status Subtitle 1, Howard County Code Section 4.122A(b)(2)

Prime Contr.	Sub-Contr.	<b>Section 1: Exemption</b> Check all that apply, then continue to Section 2. If none of these statements apply to your company or the Subcontractor, check the last box in this section and continue to Section 2.
--------------	------------	---

- |                          |                          |   |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | Contractor or Subcontractor employs fewer than 5 employees at any time during the contract term.  |
| <input type="checkbox"/> | <input type="checkbox"/> | Contractor or Subcontractor received less than \$100,000 from the County in the most recent 12-month period prior to the start date, and will be entitled to receive less than \$100,000 from the County within the next 12-month period.   |
| <input type="checkbox"/> | <input type="checkbox"/> | Contractor or Subcontractor is a nonprofit organization that has qualified for an exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.   |
| <input type="checkbox"/> | <input type="checkbox"/> | Contractor or Subcontractor is expressly precluded from complying with Howard County Code Sec. 4.122A by the terms of any federal, state, or County law, federal or state contract or grant, and the contract falls within that preclusion. |
| <input type="checkbox"/> | <input type="checkbox"/> | Contractor or Subcontractor is a public entity.   |
| <input type="checkbox"/> | <input type="checkbox"/> | Contractor or Subcontractor participates in a contract awarded under Howard County Code Secs. 4.110 (Sole Source), 4.111 (Emergency), or 4.112 (Expedited).   |
| <input type="checkbox"/> | <input type="checkbox"/> | Contractor or Subcontractor is a regulated public utility.  |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract was awarded under a cooperative procurement with another government or organization of governments.  |

**Check here ☐ if none of the above statements are applicable to your company or to the Subcontractor, continue to Section 2.**

<b>Section 2: Certifications</b>	<ul style="list-style-type: none"> <li>If you checked any exemptions in Section 1, skip this section and continue to Section 3.</li> <li>If you did not check any exemptions in Section 1, check each box in Section 2 that applies to your company, then complete Section 3 below.</li> </ul>
----------------------------------	--

I do hereby certify that I have read and understand the provisions of Section 4.122A of the Howard County Code, that I am an authorized representative of the Contractor named below, and that:

- ☐ As a "covered employer," the Contractor and all Subcontractors will comply with the County's Wage Rate Requirements for Service Contracts (Howard County Code Sec. 4.122A) and will pay all employees not exempt under the wage requirements, and who perform direct measurable work for the County, the applicable wage requirements at the time the work is performed. The Contractor will keep the records necessary to show compliance and will submit such records to the Purchasing Agent on request of the Purchasing Agent; and will publicize the requirements of this law to any employees who may be covered by the law. The Contractor's proposed pricing is sufficient to meet the current living wage rate requirements during the initial term of the agreement and any increases applicable to subsequent renewals.
- ☐ **If health insurance is provided to employees**, the per employee hourly cost of the premium for health insurance to an employee who provides services to the County that appears in the bid or proposal is correct.

<b>Section 3: Contact Information</b>	Provide your contact information in the space below, then sign and date this form and submit it with your bid.
---------------------------------------	--

Contractor Name _____	Vendor Federal ID Number _____
Address _____	Phone Number _____
_____	Email Address _____
Authorized Signature _____	Date _____
Print Name of Signatory _____	Title of Signatory _____

<b>Office of Purchasing Use Only</b>	Contract Title: Banking Custodianship Services		<b>Buyer's Initials: DPH</b>
	Contract No:	Renewal No.	
	Capital Project No:	Contract Term:	

## EXHIBIT I HOWARD COUNTY, MARYLAND AGREEMENT

THIS AGREEMENT made by and between Howard County, Maryland [as Purchasing Agent For Howard County Health Department, remove if not applicable], a body corporate and politic, (hereinafter "County") and [NAME AND ADDRESS OF CONTRACTOR], Federal Employer Identification Number (FEIN) XX-XXXXXXX, Telephone Number XXX-XXX-XXXX (hereinafter the "Contractor").

WHEREAS, the said Contractor, in consideration of the payments hereinafter specified and agreed to be made by said County, hereby covenants and agrees to Select One, in strict and entire conformity with the Attachment A entitled, Select One, and any Purchase Order subsequently issued and the Request for Proposals No. RFP#-Year RFP TITLE and the response and any amendments or revisions thereto (collectively, the "Bid") attached hereto and incorporated herein.

NOW THEREFORE, in consideration of the mutual promises and covenants, the parties hereto agree that the County shall pay the Contractor, an amount as set forth herein, for Select One in accordance with this Agreement, the other attachments hereto, the Bid and the Purchase Order all of which are hereby incorporated into and made a part of this Agreement. Notwithstanding any other terms or provisions of this Agreement, in the event the County is temporarily or permanently prevented, restricted or delayed in the performance of any or all of the duties and obligations imposed upon or assumed by it hereunder, by act of the General Assembly of Maryland or the Howard County Council, by a court of competent jurisdiction or by administrative delay not due to the fault of the County (and its members and agents), the County shall not be liable directly or indirectly for any claims caused to or suffered by the Contractor or any other person in connection with or as a result of such prevention, restriction or delay. In addition the parties hereto agree as follows:

1. Contractor's Duties The Contractor shall be an independent Contractor and not an employee of the County and the Contractor's employees who are assigned to provide services to the County under this Agreement shall be employees of the Contractor and not the County. The Contractor shall be responsible for the reporting and remittance of all state and federal taxes, compensable workers' compensation claims and coverage of unemployment claims filed by its employees. The Contractor shall [perform the services] [provide the goods] outlined in Attachment A hereto. The Contractor's [services] [goods] will be provided with due care and in accordance with all applicable standards. The Contractor shall [perform the services] [provide the goods] for the \_\_\_\_\_ of the County, or Designee, who shall have authority to administer the Agreement.

2. Compensation

- 2.1. In consideration of the Select One to be provided by the Contractor, the County shall pay the Contractor as follows:

in accordance with the unit prices set forth in the Proposal.

in accordance with the Select One attached hereto as Attachment A.

the sum of Dollar amount typed Dollars (\$Dollar amount Numerical)

an hourly rate of \$0.00 per hour for an approximate total of number of hours typed hours and shall reimburse the Contractor for eligible expenses incurred by the Contractor in the performance of the Contractor's responsibilities and obligation under this Agreement. The eligible expenses are set forth in Attachment A.

an amount equal to 90% of the amount invoiced pursuant to Paragraph 2.2 below. Ten percent (10%) of each disbursement shall be retained by the County and disbursed in a lump sum upon Select One in a manner satisfactory to the County, in its sole discretion.

- 2.2. The Contractor shall submit invoices to the County: Select One. The Contractor's invoices shall reflect the:

- Contractor's name
- Address
- Federal tax identification number
- Contract number (the first two digits are 44XXXXXXXX)
- Purchase Order number (the first digit is 2XXXXXXXXX)
- Contract line number
- Unit price and extended price (the unit price must match a line on the contract)
- Description of goods provided and/or services performed.

- 2.2.1 The proper form of County invoices requires that the necessary information be included on all invoices.

- 2.2.2 All invoices shall be submitted in triplicate to DEPARTMENT NAME AND ADDRESS. Invoices in the proper form and approved by the County shall be paid by the County within 30 days of receipt thereof.

- 2.2.3 Invoices failing to contain the information enumerated above may be returned for correction. The County reserves the right to approve such invoices, in its sole discretion, and to request such detail and additional information as the County, in its discretion deems appropriate.

- 2.3. This Agreement shall be effective according to the following:  
MONTH DATE, YEAR OR

when executed by Howard County

and shall continue through January 1, 2001, at which time the County may exercise its option to renew set forth in Paragraph 3.2 below, unless sooner terminated pursuant to Paragraphs 5 and 7 hereof.

- 2.4. The County reserves the right to renew this Agreement for INSERT RENEWAL PERIOD on the same terms and conditions set forth herein. Insert and changed to the terms i.e. Compensation. Unless set forth in a written amendment, the compensation, reimbursement and manner of payment set forth in Paragraph 2 shall remain as is. In the event any renewal changes the terms and conditions set forth herein, the approval of the Howard County Council may be required.

3. Contractor's Representations and Warranties The Contractor hereby represents the following:

- 3.1. The Contractor is a Select One, duly formed and validly existing under the laws of the State of INSERT STATE OF INCORPORATION and is qualified to do business and is in good standing in the State of Maryland.
- 3.2. The Contractor has the power and authority to consummate the obligations and responsibilities contemplated hereby, and has taken all necessary action to authorize the execution, delivery and performance required under this Agreement.
- 3.3. The person executing this Agreement for the Contractor warrants that s/he is duly authorized by the Contractor to execute this Agreement on the Contractor's behalf.
- 3.4. Select One: The services to be provided under this Agreement shall be performed competently and with due care, and in accordance with all applicable laws, codes, ordinances and regulations and licensing requirements. OR The goods to be delivered shall comply with the implied warranties of merchantability and fitness for use, and all express warranties created by this Agreement.
- 3.5. The Contractor has obtained and shall continue to maintain, at its own cost, such licenses and certifications as are necessary to provide the services rendered under this Agreement, and shall present such licenses to the County upon its request for the same.
- 3.6. All representations and warranties made in the Affidavit and the Bid response remain true and correct in all respects.

4. Termination

- 4.1. Termination for Convenience: The County may terminate this Agreement, in whole or in part, whenever the County determines that such termination is in the best interest of the County, without showing cause, upon giving at least 30 days written notice to the Contractor. The County shall pay all reasonable costs incurred by the Contractor up to the date of termination. However, in no event shall the Contractor be paid an amount which exceeds the price bid for the work performed. The Contractor shall not be reimbursed for any profits which may have been anticipated but which have not been earned up to the date of termination.
- 4.2. Termination for Default: When the Contractor has not performed or has unsatisfactorily performed one or more material terms of the Agreement, the County may terminate the Agreement for default. Upon termination for default, payment may be withheld at the discretion of the County. Failure on the part of a Contractor to fulfill the contractual obligations shall be considered just cause for termination of the Agreement. If the damages exceed the undisbursed sums available for compensation, the County shall not be obligated to make any further disbursements hereunder. The Contractor will be paid for work satisfactorily performed prior to termination less any excess costs incurred by the County in reprocurring and completing the work.

5. Remedies for Default

- 5.1. The County shall have the right upon the happening of any Default, without providing notice to the Contractor:
  - a. In addition to other available rights and remedies, to terminate this Agreement immediately, in whole or in part;
  - b. To suspend the Contractor's authority to receive any undisbursed funds; and/or
  - c. To proceed at any time or from time to time to protect and enforce all rights and remedies available to the County, by suit or any other appropriate proceedings, whether for specific performance of any covenant, term or condition set forth in this Agreement, or for damages or other relief, or proceed to take any action authorized or permitted under applicable law or regulations.
- 5.2. Upon termination of this Agreement for default, the County may elect to pay the Contractor for Select One up to the date of termination, less the amount of damages caused by the default. If the damages exceed the undisbursed sums available for compensation, the County shall not be obligated to make any further disbursements hereunder.

6. Remedies Cumulative and Concurrent No remedy herein conferred upon or reserved to the County is intended to be exclusive of any other remedies provided for in this Agreement, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder, or under this Agreement, or now or hereafter existing at law or in equity or by statute. Every right, power



and remedy given to the County shall be concurrent and may be pursued separately, successively or together against the Contractor, and every right, power and remedy given to the County may be exercised from time to time as often as may be deemed expedient by the County.

7. Insurance The Contractor shall be required to provide insurance required by the County pursuant to the insurance requirements specified in this Request for Proposals including naming "Howard County, Maryland, its officials, employees, agents and volunteers" as Certificate Holder and as Additional Insured. The Contractor shall maintain the insurance coverages required by the County while this Agreement is in force, and provide documentation of such insurance in a form satisfactory to the County. Such documentation may, in the discretion of the County, be in the form of binders or declarations from the insurance company.
8. Confidential Information The Contractor shall not disclose any documentation and information disclosed to the Contractor in the course of its performance of duties hereunder with respect to the past, present and future County business, services and clients without the express written consent of the County.
9. Ethics
  - 9.1 The Contractor certifies that the officer of the corporation who is executing this Agreement has read and understands Attachment B, entitled Howard County Charter and Code References to Ethics, which contains the provisions of Section 901(a) of the Howard County Charter dealing with conflicts of interest and Section 22.204 of the Howard County Code dealing with conflicts of interest.
  - 9.2 The Contractor certifies that he/she has (1) not been a party to an agreement to bid a fixed or uniform price; (2) not offered nor will offer any gratuity to any county official or employee; and (3) not violated any of the fair employment provisions of Code Sec. 4.119 Ethics and Fair Employment Practices detailed in Attachment B.
10. Assignment Neither the County nor the Contractor shall assign, sublet or transfer its interest or obligations under this Agreement to any third party, without the written consent of the other. Nothing herein shall be construed to create any personal or individual liability upon any employee, officer or elected official of the County, nor shall this Agreement be construed to create any rights hereunder in any person or entity other than the parties of this Agreement.
11. Delegation of Duties The Contractor shall not delegate the Contractor's duties under this Agreement without the prior written consent of the County.
12. Indemnification
  - 12.1 The Contractor shall indemnify and hold harmless the County, its employees, agents and officials from any and all claims, suits, or demands including reasonable attorney fees which may be made against the County, its employees, agents or officials resulting from any act or omission committed in the performance of the duties imposed by and performed under the terms of this Agreement by the Contractor or anyone under agreement with the Contractor to perform duties under this Agreement. The Contractor shall not be responsible for acts of negligence or willful misconduct committed by the County, its employees, agents and officials.
  - 12.2 Any property or work to be provided by the Contractor under this Agreement will remain at the Contractor's risk until written acceptance by the County; and the Contractor will replace, at the Contractor's expense, all property or work damaged or destroyed by any cause whatsoever.
  - 12.3 In the event that there is a conflict between the indemnification provision set forth in the Purchase Order Terms and Conditions and/or the General Conditions and/or this Agreement, the terms set forth in the Agreement shall govern.
13. Integration and Modification This Agreement sets forth the entire agreement between the parties relative to the subject matter hereof. No representation, promise or condition, whether oral or written, not incorporated herein shall be binding upon either party to this Agreement. No waiver, modification or amendment of the terms of this Agreement shall be effective unless made in writing and signed by an authorized representative(s) of the party sought to be bound thereby.
14. Governing Law This Agreement shall be governed by and construed in accordance with the laws of the State of Maryland without regard to any choice of law principles that would dictate the laws of any other jurisdiction. The parties agree that the exclusive venue for any and all actions related hereto shall be the appropriate Federal or State court located within the State of Maryland.
15. Conflicting Terms
  - 15.1 The Contractor acknowledges that any Purchase Order issued on or after the effective date of this Agreement is hereby integrated and made a part of this Agreement, provided, however that if a conflict arises between the provisions of this Agreement and the Purchase Order, the provisions of this Agreement shall prevail.
  - 15.2 In the event of a conflict between the Bid and this Agreement, the provisions of this Agreement (without the conflicting terms in the Bid) shall prevail.
16. Severability If any of the provisions in this Agreement are declared by a court or other lawful authority to be unenforceable or invalid for any reason the remaining provisions hereof shall not be affected thereby and shall remain enforceable to the full extent permitted by law.
17. Time is of the Essence Time is of the essence with respect to performance of the terms and conditions of this Agreement.



18. Funding The contractual obligation of the County under this Agreement is contingent upon the availability of appropriated funds from which payment for this Agreement can be made.
19. Ownership of Goods All finished or unfinished work, reports, or goods that are the subject of this Agreement including any licenses or consents acquired by the Contractor for performance hereunder, shall be and shall remain the property of the County.
20. Notice Any notice required to be delivered shall be deemed to have been received when the notice has been sent by certified mail, return receipt, overnight carrier, or hand delivered to the following address and individual or at such other address and/or such other individual a party may identify in writing to the other party:

FOR THE COUNTY: Contact Name, address and telephone number

FOR THE CONTRACTOR: Contact Name, address and telephone number

21. No Waiver, Etc No failure or delay by the County to insist upon the strict performance of any term, condition or covenant of this Agreement, or to exercise any right, power, or remedy consequent upon a breach thereof, shall constitute a waiver of any such term, condition, or covenant or of any such breach, or preclude the County from exercising any such right, power, or remedy at any later time or times.
22. Wage Rate Requirements The Contractor certifies that the officer of the corporation who is executing this Agreement has read and understands this Request for Proposals, Howard County Code, Sec 4.122A Wage Requirements.

INSERT ANY SPECIAL CLAUSES HERE, SUCH AS WARRANTIES, LIQUIDATED DAMAGES ETC.

WITNESS:

[INSERT LEGAL NAME OF CONTRACTOR]

Signature

By:

[Insert Name]  
[Insert Title]

Print Name : \_\_\_\_\_

WITNESS:

HOWARD COUNTY, MARYLAND, a body  
corporate and politic

Lonnie R. Robbins  
Chief Administrative Officer

By:

Allan H. Kittleman  
County Executive  
Purchasing Agent For Howard County Health Department,  
(remove if not applicable)

APPROVED FOR LEGAL SUFFICIENCY  
this \_\_\_\_\_ day of \_\_\_\_\_, 2014:

INFORMATION TECHNOLOGY APPROVED:

Margaret Ann Nolan  
County Solicitor

Christopher Merton (IF APPLICABLE)  
Chief Information Officer  
Technology & Communication Services

REVIEWING ATTORNEY:

Type Name: \_\_\_\_\_  
Title: \_\_\_\_\_

APPROVED FOR SUFFICIENCY OF FUNDS:

DEPARTMENT APPROVED:

Stanley J. Milesky  
Director of Finance

[Insert Dept. Head Name]  
[Insert Title]

**ATTACHMENT A**  
**SERVICES TO BE PERFORMED**

The above are in addition to any other services set forth in the Bid.

sample

## ATTACHMENT B

**HOWARD COUNTY CHARTER AND CODE REFERENCES TO ETHICS***Charter Section 901. Conflict of Interest.*

(a) **Prohibitions.** No officer or employee of the County, whether elected or appointed, shall in any manner whatsoever be interested in or receive any benefit from the profits or emoluments of any contract, job, work, or service for the County. No such officer or employee shall accept any service or thing of value, directly or indirectly, from any person, firm or corporation having dealings with the County, upon more favorable terms than those granted to the public generally, nor shall he receive, directly or indirectly, any part of any fee, commission or other compensation paid or payable by the County, or by any person in connection with any dealings with the County, or by any person in connection with any dealings with or proceedings before any branch, office, department, board, commission or other agency of the County. No such officer or employee shall directly or indirectly be the broker or agent who procures or receives any compensation in connection with the procurement of any type of bonds for County officers, employees or persons or firms doing business with the County. No such officer or employee shall solicit or accept any compensation or gratuity in the form of money or otherwise for any act or omission in the course of his public work; provided, however, that the head of any department or board of the County may permit an employee to receive a reward publicly offered and paid for, for the accomplishment of a particular task.

(b) **Rules of construction; exceptions by Council.** The provisions of this Section shall be broadly construed and strictly enforced for the purpose of preventing officers and employees from securing any pecuniary advantages, however indirect, from their public associations, other than their compensation provided by law.

In order, however, to guard against injustice, the Council may, by resolution, specifically authorize any County officer or employee to own stock in any corporation or to maintain a business in connection with any person, firm or corporation dealing with the County, if, on full public disclosure of all pertinent facts to the County Council by such officer or employee, the Council shall determine that such stock ownership or connection does not violate the public interest.

The County Council may, by ordinance, delegate to the Howard County Ethics Commission the power to make such determinations and to authorize the ownership or connection. Any ordinance which delegates this power shall provide for procedures including a public hearing, and shall establish criteria for determining when the ownership or connection does not violate the public interest.

(c) **Penalties.** Any officer or employee of the County who willfully violates any of the provisions of this Section shall forfeit his office. If any person shall offer, pay, refund or rebate any part of any fee, commission, or other form of compensation to any officer or employee of the County in connection with any County business or proceeding, he shall, on conviction, be punishable by imprisonment for not less than one or more than six months or a fine of not less than \$100.00 or more than \$1,000.00, or both. Any contract made in violation of this Section may be declared void by the Executive or by resolution of the Council. The penalties in this Section shall be in addition to all other penalties provided by law.

*Code Section 4.119. Ethics and Fair Employment Practices.*

(a) **Conflict of Interest.** Bidders, vendors, purchasers and county employees involved in the purchasing process shall be governed by the provisions of the Howard County Charter and Howard County law regarding conflict of interest. No vendor shall offer a gratuity to an official or employee of the county. No official or employee shall accept or solicit a gratuity.

(b) **Discouragement of Uniform Bidding.**

(1) It is the policy of the county to discourage uniform bidding by every possible means and to endeavor to obtain full and open competition on all purchases and sales.

(2) No bidder may be a party with other bidders to an agreement to bid a fixed or uniform price.

(3) No person may disclose to another bidder, nor may a bidder acquire, prior to the opening of bids, the terms and conditions of a bid submitted by a competitor.

(c) **Fair Employment Practices**

(1) Bidders, vendors and purchases may not engage in unlawful employment practices as set forth in Subtitle 2 "human Rights" of Title 12 of the Howard County Code Section 14 of Article 49B of the Annotated Code of Maryland or Sections 703 and 704 of Title VII of the Civil Rights Act of 1964 as amended. Should any bidders, vendors or purchasers engage in such unlawful employment practices, they shall be subject to being declared irresponsible or being debarred pursuant to the provisions of this subtitle.

(2) The Howard County Office of Human Rights shall notify the county purchasing agent when any bidder is found, by a court of competent jurisdiction, to have engaged in any high unlawful employment practices.

(3) If any bidder has been declared to be an irresponsible bidder for having engaged in an unlawful employment practice and has been debarred from bidding pursuant to this subtitle, the Howard County Office of Human Rights shall review the employment practices of such bidder after the period of debarment has expired to determine if violations have been corrected and shall, within 30 days, file a report with the county purchasing agent informing the agent of such corrections before such bidder can be declared to be a responsible bidder by the County Purchasing agent.

(4) Payment of subcontractors. All contractors shall certify in writing that timely payments have been made to all subcontractors supplying labor and materials in accordance with the contractual arrangements made between the contractor and the subcontractors. No contractor will be paid a second or subsequent progress payment or final payment until such written certification is presented to the county purchasing agent.

**Code Section 22.204. - Prohibited Conduct and Interests.**

(a) **Participation Prohibitions.**

- (1) Except as permitted by Commission regulation or opinion, an official or employee may not participate in:
- (i) Except in the exercise of an administrative or ministerial duty that does not affect the disposition or decision of the matter, any matter in which, to the knowledge of the official or employee, the official or employee or a qualified relative of the official or employee has an interest.
  - (ii) Except in the exercise of an administrative or ministerial duty that does not affect the disposition or decision with respect to the matter, any matter in which any of the following is a party:
    - a. A business entity in which the official or employee has a direct financial interest of which the official or employee may reasonably be expected to know;
    - b. A business entity for which the official, employee, or a qualified relative of the official or employee is an officer, director, trustee, partner, or employee;
    - c. A business entity with which the official or employee or, to the knowledge of the official or employee, a qualified relative is negotiating or has any arrangement concerning prospective employment;
    - d. If the contract reasonably could be expected to result in a conflict between the private interests of the official or employee and the official duties of the official or employee, a business entity that is a party to an existing contract with the official or employee, or which, to the knowledge of the official or employee, is a party to a contract with a qualified relative;
    - e. An entity, doing business with the County, in which a direct financial interest is owned by another entity in which the official or employee has a direct financial interest, if the official or employee may be reasonably expected to know of both direct financial interests; or
    - f. A business entity that:
      - 1. The official or employee knows is a creditor or obligee of the official or employee or a qualified relative of the official or employee with respect to a thing of economic value; and
      - 2. As a creditor or obligee, is in a position to directly and substantially affect the interest of the official or employee or a qualified relative of the official or employee.
- (2) A person who is disqualified from participating under paragraph 1. of this subsection shall disclose the nature and circumstances of the conflict and may participate or act if:
- (i) The disqualification leaves a body with less than a quorum capable of acting;
  - (ii) The disqualified official or employee is required by law to act; or
  - (iii) The disqualified official or employee is the only person authorized to act.
- (3) The prohibitions of paragraph 1 of this subsection do not apply if participation is allowed by regulation or opinion of the Commission.

(b) **Employment and Financial Interest Restrictions.**

- (1) Except as permitted by regulation of the commission when the interest is disclosed or when the employment does not create a conflict of interest or appearance of conflict, an official or employee may not:
- (i) Be employed by or have a financial interest in any entity:
    - a. Subject to the authority of the official or employee or the County agency, board, commission with which the official or employee is affiliated; or
    - b. That is negotiating or has entered a contract with the agency, board, or commission with which the official or employee is affiliated; or
  - (ii) Hold any other employment relationship that would impair the impartiality or independence of judgment of the official or employee.
- (2) The prohibitions of paragraph (1) of this subsection do not apply to:
- (i) An official or employee who is appointed to a regulatory or licensing authority pursuant to a statutory requirement that persons subject to the jurisdiction of the authority be represented in appointments to the authority;
  - (ii) Subject to other provisions of law, a member of a board or commission in regard to a financial interest or employment held at the time of appointment, provided the financial interest or employment is publicly disclosed to the appointing authority and the Commission;
  - (iii) An official or employee whose duties are ministerial, if the private employment or financial interest does not create a conflict of interest or the appearance of a conflict of interest, as permitted and in accordance with regulations adopted by the Commission; or
  - (iv) Employment or financial interests allowed by regulation of the Commission if the employment does not create a conflict of interest or the appearance of a conflict of interest or the financial interest is disclosed.

(c) **Post-Employment Limitations and Restrictions.**

- (1) A former official or employee may not assist or represent any party other than the County for compensation in a case, contract, or other specific matter involving the County if that matter is one in which the former official or employee significantly participated as an official or employee.
- (2) For a year after the former member leaves office, a former member of the County Council may not assist or represent another party for compensation in a matter that is the subject of legislative action.

(d) **Contingent Compensation.** Except in a judicial or quasi-judicial proceeding, an official or employee may not assist or represent a party for contingent compensation in any matter before or involving the County.

(e) **Use of Prestige of Office.**

(1) An official or employee may not intentionally use the prestige of office or public position for the private gain of that official or employee or the private gain of another.

(2) This subsection does not prohibit the performance of usual and customary constituent services by an elected official without additional compensation.

(f) **Solicitation and Acceptance of Gifts.**

(1) An official or employee may not solicit any gift.

(2) An official or employee may not directly solicit or facilitate the solicitation of a gift, on behalf of another person, from an individual regulated lobbyist.

(3) An official or employee may not knowingly accept a gift, directly or indirectly, from a person that the official or employee knows or has the reason to know:

- (i) Is doing business with or seeking to do business with the County office, agency, board or commission with which the official or employee is affiliated;
- (ii) Has financial interests that may be substantially and materially affected, in a manner distinguishable from the public generally, by the performance or nonperformance of the official duties of the official or employee;
- (iii) Is engaged in an activity regulated or controlled by the official's or employee's governmental unit; or
- (iv) Is a lobbyist with respect to matters within the jurisdiction of the official or employee.

(4) (i) Subsection (4)(ii) does not apply to a gift:

- a. That would tend to impair the impartiality and the independence of judgment of the official or employee receiving the gift;
- b. Of significant value that would give the appearance of impairing the impartiality and independence of judgment of the official or employee;
- c. Of significant value that the recipient official or employee believes or has reason to believe is designed to impair the impartiality and independence of judgment of the official or employee.

(ii) Notwithstanding paragraph (3) of this subsection, an official or employee may accept the following:

- a. Meals and beverages consumed in the presence of the donor or sponsoring entity;
- b. Ceremonial gifts or awards that have insignificant monetary value;
- c. Unsolicited gifts of nominal value that do not exceed \$20.00 in cost or trivial items of informational value;
- d. Reasonable expenses for food, travel, lodging, and scheduled entertainment of the official or the employee at a meeting which is given in return for the participation of the official or employee in a panel or speaking engagement at the meeting;
- e. Gifts of tickets or free admission extended to an elected official to attend a charitable, cultural, or political event, if the purpose of this gift or admission is a courtesy or ceremony extended to the elected official's office;
- f. A specific gift or class of gifts that the Commission exempts from the operation of this subsection upon a finding, in writing, that acceptance of the gift or class of gifts would not be detrimental to the impartial conduct of the business of the County and that the gift is purely personal and private in nature;
- g. Gifts from a person related to the official or employee by blood or marriage, or any other individual who is a member of the household of the official or employee; or
- h. Honoraria for speaking to or participating in a meeting, provided that the offering of the honorarium is not related, in any way, to the official's or employee's official position.

(g) **Disclosure of Confidential Information.** Other than in the discharge of official duties, an official or employee may not disclose or use confidential information, that the official or employee acquired by reason of the official's or employee's public position and that is not available to the public, for the economic benefit of the official or employee or that of another person.

(h) **Participation in Procurement.**

(1) An individual or a person that employs an individual who assists a County, agency or unit in the drafting of specifications, an invitation for bids, or a request for proposals for a procurement, may not submit a bid or proposal for that procurement, or assist or represent another person, directly or indirectly, who is submitting a bid or proposal for the procurement.

(2) The Commission may establish exemptions from the requirements of this section for providing descriptive literature, sole source procurements, and written comments solicited by the procuring agency.

**EXHIBIT II**  
**SAMPLE INVOICE**

# SAMPLE INVOICE

**Your Company's Name**

Address

[Email address](#)

Telephone/Fax Nos.

**Mail Invoice To:**

Howard County Government

Department/Office Name

Address (From the Purchase Order)

Address

**Invoice No.:****Date:****FEIN:**

Contract #:

44XXXXXXXXX

Purchase Order #:

2XXXXXXXXXX

Performance Period:

\_\_/\_\_/13-\_\_/\_\_/14

(For Services)

Cont. Line #	PO Item #	Goods/Services Description	List Price	% Discount	Net Price	Quantit y	Extended Price
<b>Total</b>							

**Payment Terms:**Please make check payable to ***Your Company's Name*** and remit payment to:*Your Company's Name**Address**Address*

If you have any questions regarding this invoice, please contact

***Your Company's Contact Person's Name*** at ***Telephone No.*** and ***Email Address.***

**EXHIBIT III**  
**HOWARD COUNTY**  
**INVESTMENT POLICY**

**I. POLICY**

It is the policy of Howard County, Maryland (hereinafter referred to as “The County”) to invest public funds in a manner which will conform to all State of Maryland and County statutes governing the investment of public funds while meeting its daily cash flow demands and providing a return at least equal to the three month Treasury bill yield. The County may not borrow money for the sole purpose of investment.

Any request or directive to diverge from this policy shall be reported, immediately, to the Director of Finance or County Auditor, as appropriate.

**II. SCOPE**

This investment policy applies to all cash and investments of the County which are accounted for in the County’s Comprehensive Annual Financial Report.

- A. General Fund*
- B. Special Revenue Funds*
- C. Capital Project Funds (Including Bond Funds)*
- D. Enterprise Funds*
- E. Debt Service Funds*
- F. Special Assessment Funds*
- G. Internal Service Funds*
- H. Trust and Agency Funds*
- I. Any new funds as provided by County ordinance.**

This policy does not cover the financial assets of the Howard County Retirement Plan and the Howard County Police & Fire Employees Retirement Plan. There is a separate investment policy which governs those assets.

**III. PRUDENCE**

- A.** Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.
- B.** The standard of prudence to be use by the investment officer shall be the “prudent person” standard and shall be applied in the context of managing the overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall not be held personally responsible for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

**IV. OBJECTIVES**

The primary objectives, in priority order, of the County’s investment activities shall be:

- A. Safety: Safety of principal is the foremost objective of the investment program. Investments of the County shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification, third party collateralization, safekeeping, and delivery versus payment will be required.

and

Liquidity: The County's investment portfolio will remain sufficiently liquid to enable the County to meet all operating requirements which might be reasonably anticipated.

- B. Yield: The County's investment portfolio shall be designed with the objective of attaining a rate of return at least equal to U.S. Treasury bill yields. A Treasury bill yield benchmark was selected after considering the County's investment risk constraints and the cash flow characteristics of the portfolio. Generally, the three or six month Treasury yield that most closely matches the weighted average maturity of the portfolio shall be used.

## V. DELEGATION OF AUTHORITY

- A. Authority to manage the County's investment program is derived from state law (Article 95 and Title 6 of the Finance and Procurement Article of the Annotated Code of Maryland) and the Howard County Code title 11, Subtitle 1.

The Department of Finance, under direction of the Director of Finance, has responsibility for the administration of financial affairs of the County, including the custody, safekeeping and investing, as permitted by law, of all funds and securities belonging to or by law deposited with, distributed to or handled by the County.

- B. The Director of Finance shall develop and maintain written investment procedures for the operation of the investment program consistent with this policy. Such procedures shall include:
1. Explicit delegation of authority to investment officers responsible for investment transactions. No investment officer may engage in an investment transaction except as provided under the terms of this policy and the procedure established by the Director of Finance.
  2. Procedures should include reference to safekeeping, Public Securities Administration (PSA) repurchase agreements, wire transfer agreements, banking service contracts and collateral/depository agreements.

## VI. ETHICS AND CONFLICTS OF INTEREST

Investment officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Investment officials shall disclose to the Howard County Ethics commissions, in a Howard County, Maryland Financial disclosure statement, any financial interests in financial institutions that conduct business within this jurisdiction, and any personal financial/investment positions that could be related to the performance of the County's portfolio. The Director of Finance shall review these statements annually to ensure there are no conflicts of financial interests.

## VII. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The County will maintain a list of financial institutions and brokers/dealers authorized to provide investment services. The following is a breakdown of the types of institutions and dealers the County deals with along with the type of investment transactions handled by those institutions. Described below are the types of institutions and dealers the County may utilize in this investment strategy.

- A. Primary Government Dealers/Other Securities Dealers:

### 1. Primary Government Dealers

The Federal Reserve Bank of New York designates primary government dealers in government securities.



The County can purchase all authorized and suitable investments as listed in Section VII of this policy, except for certificates of deposit, from primary government dealers.

## 2. Other Security Dealers:

The County may enter into repurchase agreements with non-primary dealers if certain criteria are met. The dealer must:

- a. be a Securities and Exchange Commission (SEC) registered Government Securities Dealer and
- b. maintain at least \$100 million in “excess net capital” per current audited financial statements and
- c. be approved by the Director of Finance.

The County may also execute a repurchase agreement with the County’s lead depository bank.

The County may purchase U.S. Government securities, U.S. Government agency securities, U.S. Government Instrumentality Securities (also known as government sponsored enterprises, or GSEs) commercial paper and bankers acceptances from dealers other than primary government dealers and from dealer banks which market these securities.

## 3. Reporting and Compliance

All approved {financial institutions and} brokers/dealers must supply the Director of Finance with:

- a. Annual audited financial statements
- b. Proof of National Association of Security Dealers certification
- c. Trading Resolution
- d. Proof of registration with State of Maryland
- e. All dealers must agree to the County’s policy of delivery-versus-payment as described in Section XI of this policy
- f. Acknowledgement that they have received a copy of this policy and agree to comply with its terms.

## B. Commercial Banks:

The County can only purchase Certificates of Deposit from any federally insured bank in the State of Maryland or any federally insured savings and loan association in the State of Maryland. Commercial Banks and savings and loan associations must have a short-term rating of at least investment grade from the appropriate Bank rating agencies. All banks shall provide their most recent Consolidated Report of Condition (“call” report) at the request of the County.

## C. Money Market Treasury Funds:

The fund must be registered with Securities and Exchange Commission under the Investment Company Act of 1940, 15 U.S.C. {& 80CA} §80 a-1 et seq., as amended, and must comply with Rule 2A-7. The funds must have a AAA rating from at least one nationally recognized rating agency.

The County is also authorized to invest in the Maryland Local Government Investment Pool. (Ref. Section IX).

## D. Social Investing:

From time to time, the County may invest in instruments offered by community and minority financial institutions. All terms and relationships will be fully disclosed in the monthly investment schedule provided to the County Executive and the County Council.

## VIII. AUTHORIZED AND SUITABLE INVESTMENTS:

The County is empowered by State statute (Article 95, and State Finance Procurement Article, Section 6-222) to invest in specific types of securities, which include:

- A. U.S. Treasury Obligations;
- B. U.S. Government Agency and U.S. Government instrumentality securities;
- C. Repurchase Agreements {only with brokers/dealers with whom the County has a signed Master Repurchase Agreement};
- D. Certificates of Deposit which are collateralized or federally insured
- E. Bankers' Acceptances
- F. Commercial Paper
- G. Investment Pools/Mutual Funds/money market funds

#### IX. INVESTMENT POOLS/MUTUAL FUNDS

- A. In addition to commercial investment pools/mutual funds, the County may invest in the Maryland Local Government Investment Pool (MLGIP) as authorized by State statute (Article 95, Section 22) and County Resolution 102-2000.
- B. A thorough investigation of a pool/fund is required prior to investing, and verification of AAA rating shall be performed annually. A questionnaire will be developed which will answer the following general questions:
  - 1. A description of eligible investment securities, and a written statement of investment policy and objectives.
  - 2. A description of interest calculations and distribution, and how gains and losses are treated.
  - 3. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
  - 4. A description of who may invest in the program, how often, what size deposits and withdrawals are allowed.
  - 5. A schedule for receiving statements and portfolio listings.
  - 6. Are reserves, retained earnings, etc. utilized by the pool/fund?
  - 7. A fee schedule, when and how it is assessed.
  - 8. Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?
  - 9. Does the pool or fund have an AAA rating from at least one nationally recognized rating agency?
  - 10. Does the pool or funds operate in accordance with Rule 2A-7 of the Investment Company Act of 1940?

#### X. COLLATERALIZATION

- A. Collateralization will be required on certificates of deposit and repurchase agreements. The collateralization level will be at least 102% of market value of principal and accrued interest in anticipation of market changes and to provide a level of security for all funds.
- B. Collateral will always be held by an independent third party with whom the County has a current custodial agreement.
- C. Acceptable collateral is specified under Section 6-202 of Title 6 of the State Finance and Procurement Article of the Annotated Code of Maryland. However, the third party custodian, who holds the collaterals, has the right to reject otherwise acceptable collateral based on their discretion concerning market conditions. The County grants to brokers/dealers the right to substitute collateral.

#### XI. SAFEKEEPING AND CUSTODY

All security transactions, including collateral for repurchase agreements, entered into by the County shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third party custodian designated by the Director of Finance. All repurchase agreements will be governed by a Master Repurchase Agreement signed by the appropriate officials of the County and the broker/dealer.

## XII. DIVERSIFICATION IN AUTHORIZED & SUITABLE INVESTMENTS

The County will diversify to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Maryland state law pertaining to authorized instruments is attached.

A. Diversification by Instrument:	Maximum Percent of Portfolio
1. U.S. Treasury Obligations	100%
2. U.S. Government Agency and U.S. Government – Sponsored instrumentalities.	90%
3. Repurchase Agreements (Master Repurchase Agreement Required {and only with primary Government dealers})	90%
4. Collateralized Certificates of Deposit (Only Maryland commercial Banks)	5%
5. Bankers' Acceptances BA's from domestic banks which also include the United States affiliates of large international banks. Short term rating of A1 from Standard and Poor's Corporation or P1 from Moody's Investor Service or F1 from Fitch Investor Service.	30%
6. Commercial Paper Must have Short term rating of A1 from Standard and Poor's Corporation or P1 from Moody's Investor Service or F1 from Fitch Investor Service.	5%
7. Money Market Mutual Funds	60%

## B. Diversification by Institution/Broker

No more than 40% of the total investment portfolio will be invested through a single broker, dealer or other financial institution.

## XIII. MAXIMUM MATURITIES

The majority of the investments of the County will have a maturity of one year or less in order to meet the objective of the County's investment activities and meet the County's operating cash flow needs. However, a portion of the portfolio may contain investments with maturities up to five years if safety and liquidity standards of the portfolio are met. The investments in long-term maturities will be limited to U.S. Treasury Obligations and to U.S. Government Agency and U.S. Government Sponsored Instrumentalities. This section of the investment policy does not pertain to the Agricultural Land Program where U.S.

Treasury stripped securities with long maturities are purchased. See Department of Finance Policy 5.0206 "Accounting and Financial Reporting for the Agricultural Land Preservation Program for details.

#### XIV. INTERNAL CONTROLS

The Director of Finance shall establish a system of internal controls. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and investment officers of the County. The internal controls of the investment operation are audited as part of the annual financial audit conducted by an external auditor.

#### XV. PERFORMANCE STANDARDS

The investment strategy is passive as the County intends to hold all securities until maturity. Short term U.S. Treasury Bill yields were selected as the benchmark to gauge the County's investment portfolio performance. This benchmark is described in Section IV.B. The benchmark comparison will be included in the monthly investment report.

#### XVI. REPORTING REQUIREMENTS

- A. The Director of Finance shall provide a monthly investment report to the County Executive, the County Council, the County Auditor, the Chief Administrative officer, the Budget Administrator and the Office of Public Information which will include data on investment instruments being held, as well as any narrative necessary to provide a clear picture of the status of the current investment portfolio. This report should also include discussions on changes to investment strategies and significant events or changes in the marketplace and shall be issued by the end of the subsequent month.
- B. Schedules and charts in the monthly report will include the following:
  1. Highlights for the month.
  2. Portfolio yield.
  3. Percentage of the portfolio by type and broker compared to authorized diversification percentages.
  4. Investments and interest income by fund.
  5. Comparison of current year and prior year portfolio balances.
  6. A listing of individual securities held at the end of reporting period by authorized investment type, including the coupon, discount or earnings rate (yield) and the purchase and final maturity dates for each investment.
  7. Book value versus market value for securities with a final maturity greater than one year from the date of the report.
  8. Comparison of current yield to benchmark yield.

#### XVII. AVAILABILITY

Copies of the policy and the monthly investment report are available upon request from the Howard County Department of Finance, 3430 Court House Drive, Ellicott City, Maryland 21043.

#### XVIII. INVESTMENT POLICY ADOPTION

Per Article 95, Section 22F of the Annotated Code of Maryland, the Investment Policy must be adopted by resolution of the Howard County Council and a certified copy sent to the State Treasurer's office.

**Any changes to the policy must be approved by resolution of the Council.**